THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2013

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

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LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
300 EAST 42ND ST., NEW YORK, NY 10017
212-697-2299 Fax 212-949-1768

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Vivian Beaumont Theater, Inc.
(d/b/a Lincoln Center Theater) and
The Board of Trustees of
The 2002 Lincoln Center Theater Supporting Foundation

We have audited the accompanying financial statements of The Vivian Beaumont Theater, Inc. (d/b/a Lincoln Center Theater) (a not-for-profit corporation) (combined with The 2002 Lincoln Center Theater Supporting Foundation, a charitable trust), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 entity'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 entity'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.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Vivian Beaumont Theater, Inc. (d/b/a Lincoln Center Theater) (a not-for-profit corporation) (combined with The 2002 Lincoln Center Theater Supporting Foundation, a charitable trust) as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Vivian Beaumont Theater, Inc.'s (d/b/a Lincoln Center Theater) (a not-for-profit corporation) (combined with The 2002 Lincoln Center Theater Supporting Foundation, a charitable trust) 2012 financial statements, and our report dated October 30, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lutz + Carr, LLP

New York, New York
October 29, 2013

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	The Vivian Beaumont Theater, Inc.							
	Unrestricted							
	Operating	Board-Designated	Total	Temporarily Restricted	Permanently Restricted	The 2002 Lincoln Center Theater Supporting Foundation	Total 2013	Total 2012
Assets								
Current Assets								
Cash and cash equivalents (Notes 1b and 4)	$ 3,768,449	$ -	$ 3,768,449	$ 1,694,770	$ -	$ -	$ 5,463,219	$ 7,170,459
Unconditional promises to give (Notes 1c and 6)	3,611,718	650,000	4,261,718	1,667,500	250,000	-	6,179,218	5,997,188
Accounts receivable	423,722	-	423,722	-	-	-	423,722	650,192
Prepaid production costs and other current assets (Note 1f)	155,294	-	155,294	-	-	-	155,294	309,732
Restricted certificates of deposit (Note 4)	497,945	-	497,945	-	-	-	497,945	494,700
Total Current Assets	8,457,128	650,000	9,107,128	3,362,270	250,000	-	12,719,398	14,622,271
Non-Current Assets								
Unconditional promises to give (Notes 1c and 6)	1,322,586	-	1,322,586	1,898,612	246,292	-	3,467,490	9,106,353
Investment in theatrical limited partnership (*Clybourne Park*)	-	-	-	-	-	-	-	425,000
Beneficial interest in charitable trust (Note 7)	-	-	-	1,085,124	-	-	1,085,124	1,054,233
Property and equipment, at cost, net of accumulated depreciation (Notes 1g and 8)	48,435,172	-	48,435,172	-	-	-	48,435,172	48,598,100
Construction in progress	24,672	-	24,672	-	-	-	24,672	709,118
Investments (Notes 1d, 1e, 3 and 5)	3,046,707	21,450,597	24,497,304	16,732,525	56,798,512	3,198,648	101,226,989	93,555,988
Total Assets	$61,286,265	$22,100,597	$83,386,862	$23,078,531	$57,294,804	$ 3,198,648	$166,958,845	$168,071,063

See notes to financial statements.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	The Vivian Beaumont Theater, Inc.							
	Unrestricted							
	Operating	Board-Designated	Total	Temporarily Restricted	Permanently Restricted	The 2002 Lincoln Center Theater Supporting Foundation	Total 2013	Total 2012
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	$ 1,972,215	$ -	$ 1,972,215	$ -	$ -	$ -	$ 1,972,215	$ 2,853,010
Accounts payable and accrued expenses - construction related	107,177	-	107,177	-	-	-	107,177	2,249,983
Advance box office sales (Note 1h)	155,138	-	155,138	-	-	-	155,138	1,665,801
Deferred membership fees (Notes 1h and 9)	559,412	-	559,412	-	-	-	559,412	579,506
Total Current Liabilities	2,793,942	-	2,793,942	-	-	-	2,793,942	7,348,300
Non-Current Liabilities								
Loan - Supporting Foundation (Note 2d)	809,578	-	809,578	-	-	(809,578)	-	-
Total Liabilities	3,603,520	-	3,603,520	-	-	(809,578)	2,793,942	7,348,300
Commitments and Contingency (Notes 5, 10, 11 and 12)								
Net Assets								
Operating	9,247,573	-	9,247,573	-	-	-	9,247,573	14,369,481
Property and equipment	48,435,172	-	48,435,172	-	-	-	48,435,172	48,598,100
Operating reserve (Note 2a-1)	-	4,700,000	4,700,000	-	-	-	4,700,000	4,700,000
Bernard Gersten LCT Productions Fund (Note 2a-2)	-	2,287,823	2,287,823	-	-	-	2,287,823	-
Quasi-endowment (Note 2a-3)	-	14,043,084	14,043,084	-	-	-	14,043,084	12,882,554
Temporarily restricted (Notes 2b and 2d)	-	-	-	6,346,006	-	4,008,226	10,354,232	11,173,788
Cash reserve (Note 2c-1)	-	-	-	-	941,307	-	941,307	941,307
Lila Acheson & DeWitt Wallace endowment (Note 2c-2)	-	-	-	14,609,533	45,324,387	-	59,933,920	54,948,083
Doris Duke Charitable Foundation endowment (Note 2c-3)	-	1,078,662	1,078,662	478,278	2,800,609	-	4,357,549	3,990,064
Other endowments (Note 2c-4)	-	(8,972)	(8,972)	1,644,714	8,228,501	-	9,864,243	9,119,386
Total Net Assets	57,682,745	22,100,597	79,783,342	23,078,531	57,294,804	4,008,226	164,164,903	160,722,763
Total Liabilities and Net Assets	$61,286,265	$22,100,597	$83,386,862	$23,078,531	$57,294,804	$ 3,198,648	$166,958,845	$168,071,063

See notes to financial statements.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	The Vivian Beaumont Theater, Inc.								The 2002 Lincoln Center Theater Supporting Foundation (Note 2d)		
	Unrestricted										
	Operating		Property and Equipment	Operating and Production Reserves	Quasi-Endowment	Total	Temporarily Restricted	Permanently Restricted		Total 2013	Total 2012
	Regular Program	Extended Program									
Changes in Net Assets											
Revenues, Gains and Other Support											
Box office revenue (Note 14)	$10,387,988	$8,450,370	$ -	$ -	$ -	$18,838,358	$ -	$ -	$ -	$ 18,838,358	$ 33,269,513
Membership fees (Note 9)	1,173,169	-	-	-	-	1,173,169	-	-	-	1,173,169	1,235,613
Theater rental fees and surcharges	877,424	-	-	-	-	877,424	-	-	-	877,424	17,475
Share of Lincoln Center garage revenue and city funding for public areas (Note 11)	370,448	-	-	-	-	370,448	-	-	-	370,448	358,461
Royalties	4,500	486,566	-	-	-	491,066	-	-	-	491,066	237,881
Television and recording income	50,000	11,805	-	-	-	61,805	-	-	-	61,805	7,854
Set and costume sales and rentals	899	117,000	-	-	-	117,899	-	-	-	117,899	45,825
Merchandise and concession income	146,921	6,496	-	-	-	153,417	-	-	-	153,417	204,919
Miscellaneous revenue	61,278	1,825	-	-	-	63,103	-	-	-	63,103	139,866
Total from Earned Revenue	13,072,627	9,074,062	-	-	-	22,146,689	-	-	-	22,146,689	35,517,407
Interest and dividends	70,266	-	-	74,534	219,837	364,637	1,079,766	-	100,005	1,544,408	1,271,776
Realized gain (loss) on investments, net of investment fees and expenses of $853,348 (2013) and $757,935 (2012)	(99,180)	-	-	223,140	658,137	782,097	3,190,743	-	77,706	4,050,546	3,496,152
Unrealized gain (loss) on investments	295,949	-	-	365,909	1,079,021	1,740,879	5,235,144	-	(175,650)	6,800,373	(4,881,581)
Endowment funds released by Board-approved spending allowance	3,854,580	-	-	-	(711,012)	3,143,568	(3,143,568)	-	-	-	-
Release of endowment funds designated for special purposes	84,526	-	204,573	-	-	289,099	(289,099)	-	-	-	-
Total from Investments	4,206,141	-	204,573	663,583	1,245,983	6,320,280	6,072,986	-	2,061	12,395,327	(113,653)
Contributions	7,558,947	-	681,321	2,287,825	-	10,528,093	1,780,142	5,542	(190,422)	12,123,355	18,056,383
Gross revenue from fundraising benefits (Note 13)	109,899	-	-	-	-	109,899	-	-	-	109,899	1,170,013
Less: Direct costs of fundraising benefits (Note 13)	(24,714)	-	-	-	-	(24,714)	-	-	-	(24,714)	(75,133)
Net assets released from restriction - satisfaction of time and use restrictions (Note 2b)	2,475,376	-	-	-	-	2,475,376	(2,475,376)	-	-	-	-
Total from Public Support	10,119,508	-	681,321	2,287,825	-	13,088,654	(695,234)	5,542	(190,422)	12,208,540	19,151,263
Total Revenues, Gains and Other Support	27,398,276	9,074,062	885,894	2,951,408	1,245,983	41,555,623	5,377,752	5,542	(188,361)	46,750,556	54,555,017
Transfers for acquisition of property and equipment	(1,586,984)	-	1,586,984	-	-	-	-	-	-	-	-
Transfer of investment results of operating reserve	663,585	-	-	(663,585)	-	-	-	-	-	-	-
Total Revenues, Gains and Other Support (carried forward)	26,474,877	9,074,062	2,472,878	2,287,823	1,245,983	41,555,623	5,377,752	5,542	(188,361)	46,750,556	54,555,017

See notes to financial statements.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	The Vivian Beaumont Theater, Inc.										
	Unrestricted										
	Operating										
	Regular Program	Extended Program	Property and Equipment	Operating and Production Reserves	Quasi-Endowment	Total	Temporarily Restricted	Permanently Restricted	The 2002 Lincoln Center Theater Supporting Foundation (Note 2d)	Total 2013	Total 2012
Changes in Net Assets (continued)											
Total Revenue, Gains and Other Support (brought forward)	$26,474,877	$9,074,062	$ 2,472,878	$ 2,287,823	$ 1,245,983	$41,555,623	$ 5,377,752	$ 5,542	$ (188,361)	$ 46,750,556	$ 54,555,017
Expenses											
Program Services											
Theatrical production and operations (Note 14)	19,225,498	6,189,808	-	-	-	25,415,306	-	-	-	25,415,306	26,917,856
Special artistic projects	816,142	-	-	-	-	816,142	-	-	-	816,142	733,391
Artistic management	1,954,358	-	-	-	-	1,954,358	-	-	-	1,954,358	1,800,989
Marketing, membership and outreach	1,431,802	-	-	-	-	1,431,802	-	-	-	1,431,802	1,288,559
Theater building operation	4,938,438	-	2,397,380 *	-	-	7,335,818	-	-	-	7,335,818	4,976,366
Total Program Services	28,366,238	6,189,808	2,397,380	-	-	36,953,426	-	-	-	36,953,426	35,717,161
Supporting Services											
Management and general	4,075,969	-	238,426 *	-	-	4,314,395	-	-	1,763	4,316,158	3,870,564
Fundraising	2,038,832	-	-	-	-	2,038,832	-	-	-	2,038,832	1,917,178
Total Supporting Services	6,114,801	-	238,426	-	-	6,353,227	-	-	1,763	6,354,990	5,787,742
Total Expenses	34,481,039	6,189,808	2,635,806 *	-	-	43,306,653	-	-	1,763	43,308,416	41,504,903
Increase (Decrease) in Net Assets	(8,006,162)	2,884,254	(162,928)	2,287,823	1,245,983	(1,751,030)	5,377,752	5,542	(190,124)	3,442,140	13,050,114
Net decrease from operations of regular and extended programs combined	(5,121,908)										
Net assets, beginning of year	14,369,481		48,598,100	4,700,000	13,866,791	81,534,372	17,700,779	57,289,262	4,198,350	160,722,763	147,672,649
Net Assets, End of Year	$9,247,573		$48,435,172	$ 6,987,823	$15,112,774	$79,783,342	$23,078,531	$57,294,804	$ 4,008,226	$164,164,903	$160,722,763

* Depreciation expense

See notes to financial statements.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	2013	2012
Cash Flows From Operating Activities		
Increase in net assets	$ 3,442,140	$13,050,114
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Additions to permanently restricted net assets	(5,542)	(482,700)
Depreciation	2,635,806	969,997
Net realized and unrealized (gain) loss on investments	(11,704,267)	627,494
Donated securities	(2,053,817)	(891,441)
(Increase) decrease in:		
Unconditional promises to give	5,462,375	2,619,579
Accounts receivable	226,470	424,177
Prepaid production costs and other current assets	154,438	2,861,016
Beneficial interest in charitable trust	(30,891)	(29,847)
Increase (decrease) in:		
Accounts payable and accrued expenses	(880,795)	(3,014,004)
Advance box office sales	(1,510,663)	(5,994,194)
Deferred membership fees	(20,094)	(25,613)
Net Cash Provided (Used) By Operating Activities	(4,284,840)	10,114,578
Cash Flows From Investing Activities		
Purchase of property and equipment	(3,906,566)	(15,765,282)
Construction in progress expenditures	(24,672)	(649,167)
Sale of investments	17,897,822	4,507,268
Purchase of investments	(11,545,739)	(2,458,177)
Investment in theatrical limited partnership	(100,000)	(500,000)
Return of investment in theatrical limited partnership	260,000	75,000
Purchase of restricted certificate of deposit	(3,245)	(3,796)
Net Cash Provided (Used) By Investing Activities	2,577,600	(14,794,154)
Cash Flows From Financing Activities		
Permanently restricted contributions received	-	469,229
Net decrease in cash and cash equivalents	(1,707,240)	(4,210,347)
Cash and cash equivalents, beginning of year	7,170,459	11,380,806
Cash and Cash Equivalents, End of Year	$ 5,463,219	$ 7,170,459

See notes to financial statements.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Theater's primary exempt purpose is to promote the study, appreciation and advancement of theater and the performing arts among the general public.

The Theater's operations are divided into regular and extended programs. This division is made to make comparisons of annual operations more informative, since the activity of the extended program varies from year to year. The regular program consists of the activities for which the Theater seeks annual public support. The extended program consists of the operation of productions beyond their originally scheduled run of performances and the transfer of productions to other media.

1 - Regular Program

The 2013 regular program consisted of a season of productions at the Mitzi E. Newhouse Theater at Lincoln Center (*Vanya and Sonia and Masha and Spike* and *Nikolai and the Others*), two productions on Broadway (*Golden Boy* and *The Nance),* and a season of productions of the LCT3 program at the Claire Tow Theater at Lincoln Center (*Disgraced*, *Luck of the Irish, A Kid Like Jake, We're Gonna Die,* and *Mr. Joy).* The 2012 regular program consisted of *Blood and Gifts, 4000 Miles, Other Desert Cities, All-American,* and *Slowgirl.*

The Theater also sponsored various special artistic projects such as the Playwrights Program, the Directors Lab, and the *Lincoln Center Theater Review.*

2 - Extended Program

The 2013 extended program consisted of the final six months of the extended run of *War Horse* at the Vivian Beaumont Theater at Lincoln Center, the one-week extended run of *Vanya and Sonia and Masha and Spike* at the Mitzi E. Newhouse Theater, the extended run of *Disgraced* at the Claire Tow Theater, and the first two weeks of the extended run of *The Nance* on Broadway. The 2012 extended program consisted of the full-year continuing extended run of *War Horse*, the extended run of *Other Desert Cities* on Broadway, and the extended run of *4000 Miles* at the Mitzi E. Newhouse Theater.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Theater considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

c - Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Theater, 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.

Contributions of property, plant and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of the unrestricted net assets class. Contributions of cash or other assets to be used to acquire property, plant and equipment with such donor stipulations are reported as temporarily restricted; the restrictions are considered to be released at the time such long-lived assets are placed into service.

The Theater uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

d - Investments

The Theater reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income that is restricted by the donor is reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the investment income is recognized.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market date obtained from sources independent of the Theater. Unobservable inputs reflect the Theater's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Theater has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

A 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 VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Fair Value Measurements (continued)
Alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent, which is estimated at fair value by the fund manager or general partner in a manner consistent with accounting principles generally accepted in the United States for investment companies. The Theater reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds, as opposed to direct interests in those funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate fair value of the Theater's interest therein, its classification in Level 2 or 3 is based on the Theater's ability to redeem its interest at or near the measurement date. If the interests can be redeemed in the near term, the investment is classified as Level 2. If the interests cannot be redeemed in the near term, the investment is classified as Level 3.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

f - Production Costs
Theatrical production costs (net of designated contributions) are amortized using the straight-line method over the estimated remaining run of the production.

g - Property and Equipment
Property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the useful life of the related asset.

The original value of the building occupied by the Theater is not included on the Statement of Financial Position since it would be fully depreciated. All improvements made by the Theater have been capitalized and are being amortized over the lesser of the useful life of the assets or the remaining lease term (including extensions).

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)
(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - Revenue Recognition
Box office revenue from theatrical productions is recognized as income when earned, that is, on the date of the performance. Advance box office sales represents unearned income from ticket sales and will be recognized as revenue when the future performance occurs. Membership fee revenue is deferred when received and recognized over the term of the membership.

i - Financial Statement Presentation
The Theater is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

j - Estimates
The preparation of financial statements in conformity 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.

k - Advertising Costs
Advertising costs are charged to operations at the time the advertising occurs. Advertising expense for 2013 and 2012 was $4,185,118 and $4,434,506, respectively.

l - Tax Status
The Vivian Beaumont Theater, Inc. is a not-for-profit corporation 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. Management has evaluated all income tax positions and concluded that no disclosures relating to uncertain tax positions are required in the financial statements. The Theater's tax returns for years prior to fiscal year 2010 are generally no longer subject to examination by the taxing authorities.

m - Principles of Combination
The accompanying financial statements reflect the combination of the individual financial statements of The Vivian Beaumont Theater, Inc. and The 2002 Lincoln Center Theater Supporting Foundation because the entities have common directors and trustees (see Note 2d).

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

n - Subsequent Events

The Theater has evaluated subsequent events through October 29, 2013, the date that the financial statements are considered available to be issued.

Note 2 - Restrictions on Assets

a - Board-Designated Net Assets

1 - Board-Designated Operating Reserve

The operating reserve was established to meet contingencies (such as funding reductions or emergency expenses) and as a reserve for future projects. Transfers of unrestricted funds to the operating reserve may be made by vote of the Board of Directors. All investment income and gains from the operating reserve may be used for current operations and any investment loss must be replaced from unrestricted funds. All or part of the principal may be expended by vote of the Board of Directors.

2 - Bernard Gersten LCT Productions Fund

Special contributions solicited in honor of Bernard Gersten's retirement as Founding Executive Producer were designated by the Board of Directors as the Bernard Gersten LCT Productions Fund and held in reserve to support future theatrical productions. Contributions reserved in this fund may be expended for such productions upon request of the Artistic Director and approval of the Executive Committee of the Board. Investment income and gains from this reserve fund may be used for current operations, and any investment loss must be replaced from unrestricted funds.

3 - Board-Designated Quasi-Endowment

Transfers of unrestricted funds to the quasi-endowment may be made by vote of the Board of Directors. The principal may be borrowed for operations but must be repaid within two years. No amounts were borrowed during the fiscal years ended June 30, 2013 and 2012. Investment income (or loss) from the quasi-endowment is appropriated to operations according to the spending policy applicable to endowment funds.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 2 - Restrictions on Assets (continued)

b - Temporarily Restricted Net Assets (continued)
Temporarily restricted net assets at June 30 are restricted for the following purposes:

	2013	2012
Future operations	$ 5,392,270	$ 6,105,437
Accumulated endowment income and gains not yet appropriated for expenditure	16,288,576	10,298,898
Term endowment	443,949	426,443
Beneficial interest in charitable trust (Note 7)	1,520,000	1,526,000
	23,644,795	18,356,778
Less: Discount to present value	(566,264)	(655,999)
	$23,078,531	$17,700,779

Temporarily restricted net assets which are receivable and due after one year are discounted to net present value using discount rates of 0.5% to 5% per annum.

c - Permanently Restricted Net Assets
Permanently restricted net assets consist of the following as of June 30:

1 - Cash Reserve
The permanently restricted cash reserve contains the National Endowment for the Arts (NEA) Challenge grant (and matching funds) designated for institutional stabilization. The principal may be borrowed for operations but must be repaid within two years. Subsequent to its initial grant, the NEA permitted the release from restriction of the amount of its grant at the Theater's discretion. The Theater continues to maintain the NEA's grant as part of the cash reserve. No amounts were borrowed during the fiscal years ended June 30, 2013 and 2012. Investment income (or loss) from the cash reserve is appropriated to operations according to the general spending policy for endowment funds.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 2 - Restrictions on Assets (continued)

c - Permanently Restricted Net Assets (continued)

2 - Lila Acheson & DeWitt Wallace Endowment

The Wallace endowment was established under an agreement dated April 30, 2001 between the Theater (and other charities) and the Lila Acheson & DeWitt Wallace Fund for Lincoln Center (the Wallace Fund). The Wallace Fund was established in 1982 as a supporting organization for the benefit of several performing arts charities at Lincoln Center, and the Theater had received annual support from the income of the Fund. Under the endowment agreement of April 30, 2001, the Wallace Fund was dissolved, and its assets were to be transferred to the beneficiary organizations. The Theater's share (18.75%) of the assets of the Wallace Fund consisted of common stock of the Reader's Digest Association valued at $16,929,100 when received on July 11, 2001 and the $39,652,500 cash proceeds of other assets received on August 13, 2001. The original fair market value of the Wallace endowment was recorded as $56,581,600 and reflected in these financial statements as an unconditional promise to give as of June 30, 2001. Additional distributions of $73,883 were received and added to the original fair market value of the Wallace endowment.

The Wallace endowment may be expended in accordance with the spending policy in effect for the Theater's other endowment funds, even if this spending policy reduces the value of the Wallace endowment below its original fair market value. The "annual contribution" derived from the application of the spending policy to the Wallace endowment must be used to support new works, new or touring productions, or educational and outreach programs.

In addition to the annual contribution, a “special contribution” of up to 20% of the current fair value of the Wallace endowment may be expended if two-thirds of the Theater’s Board of Directors determines that an extraordinary need exists and the special contribution is matched two to one. The special contribution may not reduce the value of the Wallace endowment below 80% of its original fair market value. For this reason, $45,324,387 of the Wallace endowment (80% of the original fair market value) is classified in these financial statements as permanently restricted, while the remainder is classified as temporarily restricted.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 2 - Restrictions on Assets (continued)

c - Permanently Restricted Net Assets (continued)

3 - Doris Duke Charitable Foundation Endowment
The Duke endowment was established by a grant agreement between the Doris Duke Charitable Foundation and the Theater, in which the Duke Foundation made an endowment challenge grant of $500,000 that was matched on a one-to-one cash basis by endowment funds raised or designated by the Theater.

The Duke grant and the matching funds established a permanent endowment restricted to artistic programming. After the match was met and the Duke grant was fully received, the earnings on the Duke endowment were allowed to be expended in accordance with the spending policy in effect for the Theater's other endowment funds (in no case greater than 6%), with expenditures solely for the Theater's artistic programming expenses.

4 - Other Endowments
The Theater's other endowments are subject to the general spending policy applicable to permanently restricted and board-designated funds, with the exception of certain endowments from which the investment income (or a donor-approved spending allowance) is restricted for special purposes.

d - The 2002 Lincoln Center Theater Supporting Foundation
The 2002 Lincoln Center Theater Supporting Foundation (LCTSF) was established by a trust agreement dated October 30, 2002 between The Peter Jay Sharp Foundation and three trustees, two representing The Vivian Beaumont Theater, Inc. (Lincoln Center Theater) as members of the Theater's Board of Directors, and the third representing the Sharp Foundation. The trust is organized exclusively for the benefit of Lincoln Center Theater. Its specific purpose is to provide an ongoing source of below-market or interest-free financing to the Theater for the presentation of qualifying theatrical works (as defined in the trust agreement). At any time after the assets of LCTSF exceed $2,400,000, the trustees may extend a loan to the Theater for this purpose, in such amount and upon such terms as the trustees determine, provided, however, that the term of any such loan shall not exceed seven years, and no such loan may reduce the value of the assets held by LCTSF below $1,500,000. In the event of the termination of LCTSF, its entire net assets shall be distributed to the Theater (if it is then a qualified charitable organization), to be held as a segregated fund and used to finance theatrical works.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 2 - Restrictions on Assets (continued)

d - The 2002 Lincoln Center Theater Supporting Foundation (continued)
Each year, the trustees of LCTSF shall forgive such portion of any outstanding loan to the Theater equal to the net investment income (interest, dividends, and net realized capital gains) of LCTSF in the preceding calendar year.

The Peter Jay Sharp Foundation made a grant of $4,000,000 to LCTSF, of which the entire amount was received as of June 30, 2006.

An interest-free, seven-year loan in the amount of $1,500,000 was extended by LCTSF to the Theater in October 2006 to finance the production of *The Coast of Utopia.* The outstanding balance of $538,947 on this loan was repaid in October 2012. A new interest-free, seven-year loan in the amount of $1,000,000 was extended by LCTSF to the Theater in October 2012 to finance the production of *Golden Boy.* For the year ended June 30, 2013, $190,422 of this loan was forgiven against the net investment income of LCTSF during calendar year 2012, leaving an outstanding balance of $809,578.

Note 3 - Endowment Funds

The Theater's endowment consists of donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Included as an endowment fund is a cash reserve fund designated as permanently restricted by the original donor (the National Endowment for the Arts), which is invested and used according to the same rules applicable to the endowment and quasi-endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), the Theater classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Theater.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 3 - Endowment Funds (continued)

In accordance with NYPMIFA, the Theater considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(i) the duration and preservation of the endowment fund;
(ii) the purposes of the Theater and the endowment fund;
(iii) general economic conditions;
(iv) the possible effect of inflation or deflation;
(v) the expected total return from income and the appreciation of investments;
(vi) other resources of the Theater;
(vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Theater; and
(viii) the investment policy of the Theater

The Theater's endowment funds are summarized by type of fund and net asset classification as follows, with fair value of cash and investments as of June 30, 2013 and 2012:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (8,972)	$16,732,525	$56,798,512	$73,522,065
Board-designated endowment funds	15,121,746	-	-	15,121,746
Total Endowment Funds	$15,112,774	$16,732,525	$56,798,512	$88,643,811

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (8,769)	$10,725,341	$56,798,512	$67,515,084
Board-designated endowment funds	13,875,560	-	-	13,875,560
Total Endowment Funds	$13,866,791	$10,725,341	$56,798,512	$81,390,644

The fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the original endowment gift. A deficiency of this nature in the amount of $8,972 with respect to one of the Theater's endowment funds is reported in unrestricted net assets at June 30, 2013.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 3 - Endowment Funds (continued)

Changes in the fair value of the cash and investments of the Theater's endowment funds for the years ended June 30, 2013 and 2012 are summarized as follows:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, beginning of year	$13,866,791	$10,725,341	$56,798,512	$81,390,644
Investment Return:				
Interest and dividends	219,837	1,079,766	-	1,299,603
Realized capital gains, net of investment fees	658,137	3,190,743	-	3,848,880
Unrealized appreciation	1,079,021	5,235,144	-	6,314,165
Total Investment Return	1,956,995	9,505,653	-	11,462,648
Contributions received	-	-	-	-
Appropriation of endowment assets for expenditure	(711,012)	(3,498,469)	-	(4,209,481)
Endowment Funds, End of Year	$15,112,774	$16,732,525	$56,798,512	$88,643,811

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, beginning of year	$14,698,545	$14,370,708	$56,329,283	$85,398,536
Investment Return:				
Interest and dividends	178,735	872,352	-	1,051,087
Realized capital gains, net of investment fees	552,595	2,659,482	-	3,212,077
Unrealized depreciation	(800,219)	(3,806,007)	-	(4,606,226)
Total Investment Return	(68,889)	(274,173)	-	(343,062)
Contributions received	-	-	469,229	469,229
Appropriation of endowment assets for expenditure	(762,865)	(3,371,194)	-	(4,134,059)
Endowment Funds, End of Year	$13,866,791	$10,725,341	$56,798,512	$81,390,644

Note 3 - Endowment Funds (continued)

The Theater has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. The overall investment objective for the entire endowment portfolio is to maintain an average long-term total return, net of management fees, of at least 5% per year in excess of inflation (as measured by the Consumer Price Index). Actual returns in any given year may vary from this amount.

Under the Theater's investment policy, assets of all endowment funds (except those required by the donor to be invested in a separate account) are pooled together and divided, in a diversified and balanced portfolio, according to asset allocation guidelines defined and monitored by the Investment Committee of the Board of Directors, among various investment managers selected by the Investment Committee, each manager specializing in a particular asset class (such as equities, fixed income, or alternative investments). The objective of each investment manager is to maximize total return (without regard for current income or realized gains), with a level of risk appropriate to the respective asset class, and with the manager's performance evaluated against a benchmark index appropriate for each class (such as the Standard and Poors 500 for U.S. equities).

The Theater's general spending policy, applicable to most of its endowment funds, for the fiscal year ending June 30, 2013, was reviewed (according to the criteria established by NYPMIFA) by the Investment Committee of the Theater's Board of Directors, which concluded that 5 percent of the average fair value of endowment funds over the preceding five fiscal years would be released for expenditure. In establishing this policy, the Theater considered the long-term expected return on its endowment. Accordingly, over the long term, the Theater expects the current spending policy to allow its endowment assets to maintain their purchasing power. However, by explicit consent of the donors of the most substantial portions of the Theater's endowment (the Wallace endowment and the Duke endowment), these endowments may be expended according to this spending policy even if such expenditure (in combination with short-term investment loss) reduces the value of these assets below the value of the original endowment gifts.

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NOTES TO FINANCIAL STATEMENTS

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Note 3 - Endowment Funds (continued)

Endowments established for special purposes are subject to spending policies that follow the Theater's general spending allowance (or a variation of it), or in some cases they require that total income and appreciated value (if any) in the current year be expended for the special purpose. In one case, the donor has specified an annual spending allowance (10%) that so far exceeds average annual investment return that it is apparent that the donor does not expect the value of the original gift to be maintained in perpetuity. This term endowment has therefore been classified as temporarily restricted rather than permanently restricted.

Note 4 - Restricted Certificates of Deposit and Concentration of Credit Risk

Restricted certificates of deposit ($497,945 at June 30, 2013) are pledged as collateral for a salary bond under a security agreement with Actors' Equity Association. This amount was $494,700 at June 30, 2012.

Cash and cash equivalents consist of the following at June 30:

	2013	2012
Bank accounts	$4,190,358	$7,147,629
Money market funds	1,272,861	22,830
	$5,463,219	$7,170,459

Bank accounts and certificates of deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for each financial institution. At June 30, 2013, the Theater maintains balances in excess of insured limits. However, the Theater monitors its concentration of credit risk on a regular basis.

Money market funds are not insured by the FDIC and only insured by the Securities Investor Protection Corporation (SIPC).

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 5 - Investments

The following summarizes the Theater's investments by the Levels within the fair value hierarchy (Note 1e) used to measure their respective fair values at June 30, 2013 and 2012:

	2013				
		Fair Value			
	Cost	Total	Level 1	Level 2	Level 3
The Vivian Beaumont Theater, Inc.					
Marketable debt and equity securities	$ 181,798	$ 179,359	$ 179,359	$ -	$ -
Mutual funds - fixed income	5,528,682	5,432,552	5,432,552	-	-
Mutual fund - commodities and real assets	4,581,070	4,552,181	4,552,181	-	-
Alternative Investments					
Investment fund - U.S. equities	21,869,410	28,896,566	-	28,896,566	-
Investment funds - non-U.S. equities	15,624,821	16,592,331	-	16,592,331	-
Investment fund - bank loans	3,500,000	3,467,184	-	3,467,184	-
Hedge funds of funds	24,008,482	32,850,360	-	19,164,605	13,685,755
Private equity - funds of funds	2,895,383	3,341,795	-	-	3,341,795
Private equity - distressed opportunities	2,021,668	2,716,013	-	-	2,716,013
	80,211,314	98,028,341	10,164,092	68,120,686	19,743,563
The 2002 Lincoln Center Theater Supporting Foundation					
Fixed income mutual funds	3,244,083	3,198,648	3,198,648	-	-
Total Investments	$83,455,397	$101,226,989	$13,362,740	$68,120,686	$19,743,563

	2012				
		Fair Value			
	Cost	Total	Level 1	Level 2	Level 3
The Vivian Beaumont Theater, Inc.					
Marketable debt and equity securities	$ 184,433	$ 184,853	$ 184,853	$ -	$ -
Mutual funds - fixed income	10,501,615	10,394,983	10,394,983	-	-
Alternative Investments					
Investment fund - U.S. equities	21,941,544	25,901,662	-	25,901,662	-
Investment funds - non-U.S. equities	13,599,075	13,458,565	-	13,458,565	-
Hedge funds of funds	27,637,158	33,931,893	-	21,667,229	12,264,664
Private equity - funds of funds	3,082,458	3,522,443	-	-	3,522,443
Private equity - distressed opportunities	2,109,298	2,502,186	-	-	2,502,186
	79,055,581	89,896,585	10,579,836	61,027,456	18,289,293
The 2002 Lincoln Center Theater Supporting Foundation					
Fixed income mutual funds	3,529,188	3,659,403	3,659,403	-	-
Total Investments	$82,584,769	$93,555,988	$14,239,239	$61,027,456	$18,289,293

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 5 - Investments (continued)

The following summarizes changes in fair value of the Theater's Level 3 assets for the years ended June 30, 2013 and 2012. The information reflects gains and losses for the full year for assets categorized as Level 3 as of June 30, 2013 and 2011, and does not include gains or losses for assets that were transferred out of Level 3 prior to the end of year.

	2013	2012
Balance, beginning of year	$18,289,293	$17,577,718
Realized gains	198,411	156,371
Unrealized gains	1,728,975	342,720
Purchases (net)	821,118	212,484
Redemptions	(1,294,234)	-
Balance, End of Year	$19,743,563	$18,289,293

The Theater has committed to invest a total of $13,500,000 in private equity limited partnerships which make periodic capital calls. As of June 30, 2013, the Theater had made investments totaling $9,626,918 leaving an outstanding commitment of $3,873,082.

At June 30, 2013, concentrations of the Theater's investments in excess of 10% of the fair value of its portfolio included approximately 73.1% invested with four investment funds. Each of these investments is in a fund of funds or an investment fund with a diversified portfolio of underlying investments, with no significant concentrations in any single holding.

The terms of redemption of alternative investments valued using the net asset value are as follows:

Hedge Funds and Investment Funds:	
Daily redemption with no notice	$ 932,761
Semi-monthly redemption with 15 days notice	12,322,143
Monthly redemption with 30 days notice	6,804,611
Quarterly redemption with 60 days notice	28,896,566
Quarterly redemption with 90 days notice	19,164,605
Annual redemption with 95 days notice	13,685,755
	81,806,441
Private Equity Funds:	
No opportunity for redemption; distributions made only at fund's discretion	6,057,808
	$87,864,249

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 5 - Investments (continued)

The following are descriptions of the investment strategies of these alternative investments:

Investment Fund - U.S. Equities	This fund invests primarily in major U.S. equity securities, with the objective of a return greater than the Standard and Poors 500 Index.
Investment Funds - Non-U.S. Equities	These funds invest primarily in non-U.S. equity securities, with respective concentrations on developed and emerging markets.
Investment Fund - Bank Loans	This fund invests principally in bank loans and other high-yield debt instruments.
Hedge Funds of Funds	These funds invest in a diversified group of underlying hedge funds, which invest in equity, fixed income, and derivative instruments and vary their investment strategies in response to changing market opportunities.
Private Equity - Funds of Funds	These funds invest in a diversified group of underlying private equity funds, which focus their investments on venture capital start-up opportunities or companies that are in liquidation and reorganization.
Private Equity - Distressed Opportunities	This fund invests in a diversified group of underlying private equity funds, which invest in debt, equity, or other securities and obligations of misvalued, leveraged, or financially distressed companies.

Based on information provided by the investment fund manager, the Theater expects that the remaining life of the nonredeemable private equity funds will be as follows:

Due within 1-5 years	$1,657,433
Due within 5-10 years	4,400,375
	$6,057,808

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 6 - Unconditional Promises to Give

Unconditional promises to give are due as follows as of June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Year Ending June 30,				
2014	$4,261,717	$1,667,500	$250,000	$6,179,217
2015	720,000	415,000	250,000	1,385,000
2016	320,000	365,000	-	685,000
2017	320,000	250,000	-	570,000
2018	50,000	250,000	-	300,000
Thereafter, through the year ending June 30, 2021	-	750,000	-	750,000
	5,671,717	3,697,500	500,000	9,869,217
Less: Discount to present value	(87,413)	(131,388)	(3,708)	(222,509)
	$5,584,304	$3,566,112	$496,292	$9,646,708

Uncollectible promises to give are expected to be insignificant. Unconditional promises to give which are due after one year are discounted to net present value using discount rates of 0.5% to 5% per annum.

Note 7 - Beneficial Interest in Charitable Trust

During the year ended June 30, 2011, a donor established a charitable trust at a financial institution, naming the Theater as the beneficiary. Under the terms of the trust, the Theater is to receive annual distributions of $6,000. Upon the death of the donor, the Theater will receive a distribution of $1,460,000. Based on donor and beneficiary life expectancy and the use of a 3.5% long-term discount rate, the present value of future benefits expected to be received was recognized as a temporarily restricted contribution. At June 30, 2013, the present value of the interest in the charitable trust, considered Level 3 in the fair value hierarchy, was $1,085,124.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 8 - Property and Equipment

Property and equipment consist of the following at June 30:

	Life	2013	2012
Leasehold improvements	10-25 years	$66,319,328	$63,962,917
Furniture, fixtures and equipment	5-15 years	3,029,336	4,197,134
		69,348,664	68,160,051
Less: Accumulated depreciation		(20,913,492)	(19,561,951)
		$48,435,172	$48,598,100

Depreciation expense for the years ended June 30, 2013 and 2012 was $2,635,806 and $969,997, respectively.

During the year ended June 30, 2013, fully depreciated assets that were no longer in use in the amount of $1,284,265 were written off.

Note 9 - Deferred Membership Fees

Under the Theater's membership program, the payment of an annual membership fee at any time entitles a member to purchase a discounted ticket to each of the Theater's productions during the next twelve months. Accordingly, membership revenue is amortized monthly over the year following the receipt of the membership fee. During the year ended June 30, 2013, $1,173,169 in membership fees were recognized as income. At June 30, 2013, $559,412 in unamortized fees remained deferred. These amounts were $1,235,613 and $579,506, respectively, in 2012.

Note 10 - Commitments and Contingency

a - Certain management compensation is guaranteed by contract. As of June 30, 2013, the following remains to be paid:

Year Ending June 30,	
2014	$1,020,000
2015	1,020,000
2016	1,020,000

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 10 - Commitments and Contingency (continued)

b - As of June 30, 2013, approximately 67% of total employee compensation was paid under collective bargaining agreements.

c - The City of New York contributed $2,551,400 in support of building renovations during the year ended June 30, 2004. In accepting the funds from the City, the Theater has agreed to a covenant guaranteeing the continued use of the facility as a not-for-profit cultural institution through December 31, 2019.

d - By promissory notes amended and executed as of December 16, 2010, the Theater secured a bank loan, approved by the Board of Directors, in the total amount of $16,000,000, to be used as financing for the construction expenditures of the LCT3 Rooftop Theater. This loan originally consisted of a revolving line of credit of $9,000,000 and a non-revolving line of credit of $7,000,000, both secured by unrestricted marketable securities in an amount up to $10,000,000 and a collateral assignment (with the acknowledgement and consent of the donors) of certain unconditional promises to give restricted for the LCT3 Rooftop Theater project. By a promissory note amended and restated as of January 15, 2013, the loan was reduced to a single revolving line of credit of $5,000,000, secured entirely by unrestricted marketable securities in an amount up to $5,400,000. The loan bears interest at the variable interest rate of the London Interbank Offered Rate (LIBOR) plus 1.75% per annum, or the prime rate of the bank, at the option of the borrower. The line specify certain covenants, including the maintenance of minimum amounts of liquid assets and operating cash flows, to assure the lender of the borrower's financial stability and the coverage of interest payments when due. No amounts were borrowed against the revolving line of credit during the year, and as of June 30, 2013, the outstanding balance of this loan was zero.

e - Government supported programs are subject to audit by the granting agency.

Note 11 - Lincoln Center for the Performing Arts, Inc.

The Theater leases the Lincoln Center Theater building (containing the Vivian Beaumont, Mitzi E. Newhouse, and Claire Tow Theaters, as well as offices, rehearsal and dressing rooms, and other support spaces) from Lincoln Center for the Performing Arts, Inc. (Lincoln Center) under a twenty-five year agreement dated as of January 1, 2008, with an option to extend the lease for an additional twenty-four year term. This lease is a renewal, with revisions, of the original lease dated as of July 1, 1980. No lease payments are required; however, the Theater is responsible for maintenance and operation of the building and its share of the cost of maintaining and operating the common facilities of Lincoln Center (in lieu of rent). Common facilities costs amounted to $685,278 (2013) and $632,929 (2012).

Note 11 - Lincoln Center for the Performing Arts, Inc. (continued)

The Theater also shares in Lincoln Center's Corporate Fund ($212,435 in 2013) and receives a portion of underground garage revenue ($328,229) and New York City funding ($42,219) in exchange for its sharing in the maintenance of the Lincoln Center public areas. These amounts were $214,610, $304,364 and $54,097 in 2012, respectively.

One member of the Board of Directors of the Theater is also a director of Lincoln Center for the Performing Arts, Inc.

Note 12 - Pension and Other Benefit Plans

a - The Theater participates in a defined-benefit pension plan with Lincoln Center and other organizations affiliated with Lincoln Center, which covers its full-time non-union administrative staff. The Theater made contributions of $294,500 and $223,929 to fund pension obligations in the years ended June 30, 2013 and 2012, respectively.

b - The Theater contributes to various multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

- If the Theater chooses to stop participating in some of its multiemployer plans, the Theater may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

THE VIVIAN BEAUMONT THEATER, INC.
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(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 12 - Pension and Other Benefit Plans (continued)

b - (continued)

The Theater's participation in these plans is summarized below, including additional information for individually significant plans. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. The most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan's year-end at December 31, 2012, and December 31, 2011, respectively. The zone status is based on information that the Theater received from each plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject, as applicable.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2013	Pension Protection Act Zone Status 2012	FIP/RP Status Pending/ Implemented	Contributions of the Theater 2013	Contributions of the Theater 2012	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Pension Fund of Local No. One, IATSE (Stage Employees)	13-6414973/001	Green	Green	N/A	$278,434	$306,889	No	July 5, 2015
Equity-League Pension Trust Fund (Actors and Stage Managers)	13-6696817/001	Green	Green	N/A	270,605	364,275	No	February 12, 2017
United Scenic Artists Local 829 Pension Fund	13-1982707/001	Green	Green	N/A	61,457	67,024	No	June 30, 2017
Pension Fund of Wardrobe Local 764, IATSE	13-6137855/001	Green	Green	N/A	54,111	76,884	No	November 30, 2014
All other multiemployer plans - total of seven other plans					161,046	177,824		
					$825,653	$992,896		

None of the Theater's contributions to the plans listed above are greater than 5% of the total plan contributions.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 13 - Fundraising Benefits

During each of the years ended June 30, 2013 and 2012, the Theater held fundraising benefits. The following reflects the activity from these events:

	2013	2012
Gross revenue	$109,899	$1,175,013
Less: Direct costs	(24,714)	(75,133)
Indirect costs	(2,596)	(40,712)
Net	$ 82,589	$1,059,168

Direct costs of fundraising benefits reflect the estimated fair value of services (such as food and entertainment) which the donor received. Indirect costs are other costs of the benefit in addition to the fair value of services received by the donor.

Note 14 - Co-Production Activities

In connection with some of its theatrical productions (*War Horse* during the year ended June 30, 2013, and *War Horse* and *Other Desert Cities* during the year ended June 30, 2012), the Theater entered into co-production agreements with third parties. The Theater has included its pro rata share of the revenues and expenses related to these productions in the accompanying statement of activities, summarized as follows:

	2013		2012	
	Total Amounts	Theater Share Included in Statement of Activities	Total Amounts	Theater Share Included in Statement of Activities
Box office revenue	$15,624,377	$7,404,436	$57,374,836	$30,334,889
Theatrical production and operating expenses	$14,612,391	$5,075,168	$48,804,226	$22,891,994

THE VIVIAN BEAUMONT THEATER, INC.
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(combined with The 2002 Lincoln Center Theater Supporting Foundation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 15 - Functional Allocation of Expenses

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

Note 16 - Fair Value of Financial Instruments

The provisions of Statement of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments*, require disclosure of the fair value of financial instruments for which it is practicable to estimate at fair value. The fair value of investments has been presented in Note 5, and the fair value of the Theater's beneficial interest in a charitable trust is described in Note 7. The carrying amount of all other financial instruments approximates fair value because of their short maturity.

SUPPLEMENTARY INFORMATION

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
300 EAST 42ND ST., NEW YORK, NY 10017
212-697-2299 Fax 212-949-1768

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
The Vivian Beaumont Theater, Inc.
(d/b/a Lincoln Center Theater) and
The Board of Trustees of
The 2002 Lincoln Center Theater Supporting Foundation

We have audited the financial statements of The Vivian Beaumont Theater, Inc. (d/b/a Lincoln Center Theater) (combined with The 2002 Lincoln Center Theater Supporting Foundation, a charitable trust) as of and for the year ended June 30, 2013, and our report thereon dated October 29, 2013, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted 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, 2013 with comparative totals for 2012 and the Schedules of Operating Expenses (excluding Theatrical Production and Operations and Special Artistic Projects) for the years ended June 30, 2013 and 2012 are presented for 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.

Lutz + Carr, LLP

New York, New York
October 29, 2013

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	Program Services							Supporting Services			2013	2012
	Theatrical Production and Operations		Special Artistic Projects	Artistic Management	Marketing, Membership and Outreach	Theater Building Operation	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
	Regular Program	Extended Program										
Salaries	$ 3,465,804	$ 2,689,218	$ 62,708	$ 1,526,246	$ 493,151	$ 383,028	$ 8,620,155	$ 2,319,130	$ 884,039	$3,203,169	$11,823,324	$13,516,162
Employee benefits and payroll taxes	1,429,737	928,231	33,654	428,112	160,227	90,037	3,069,998	670,686	247,887	918,573	3,988,571	3,885,908
Total Salaries, Employee Benefits and Payroll Taxes	4,895,541	3,617,449	96,362	1,954,358	653,378	473,065	11,690,153	2,989,816	1,131,926	4,121,742	15,811,895	17,402,070
Physical production (scenery, costumes, etc.)	2,154,323	-	-	-	-	-	2,154,323	-	-	-	2,154,323	1,025,194
Production take-in and take-out	3,045,682	94,032	-	-	-	-	3,139,714	-	-	-	3,139,714	1,178,765
Artists' fees	607,592	-	235,550	-	-	-	843,142	-	-	-	843,142	475,664
Royalties	581,771	593,981	-	-	-	-	1,175,752	-	-	-	1,175,752	4,069,681
Off-site theater rent and rented theater expenses	3,385,769	305,566	-	-	-	-	3,691,335	-	-	-	3,691,335	2,637,638
Advertising and publicity	2,984,410	1,090,040	32	-	110,636	-	4,185,118	-	-	-	4,185,118	4,434,506
Theatrical equipment rentals	413,445	364,014	-	-	-	-	777,459	-	-	-	777,459	1,004,791
Theatrical departmental expenses	339,410	96,924	1,734	-	-	-	438,068	-	-	-	438,068	345,920
Miscellaneous theatrical expenses	817,555	27,802	69,024	-	-	-	914,381	-	-	-	914,381	1,432,581
Publications, recordings, seminars and special projects	-	-	413,440	-	505,830	-	919,270	-	-	-	919,270	930,411
Utilities	-	-	-	-	-	883,859	883,859	-	-	-	883,859	747,656
Lincoln Center shared costs	-	-	-	-	-	685,278	685,278	-	-	-	685,278	632,929
Building security	-	-	-	-	-	276,950	276,950	-	-	-	276,950	199,714
Building maintenance	-	-	-	-	-	2,290,372	2,290,372	-	-	-	2,290,372	1,805,233
Insurance	-	-	-	-	-	312,045	312,045	37,761	-	37,761	349,806	294,159
Building costs charged to outside tenants	-	-	-	-	-	(10,568)	(10,568)	-	-	-	(10,568)	(17,061)
Professional fees and consulting	-	-	-	-	2,580	-	2,580	401,211	3,079	404,290	406,870	298,180
Membership services	-	-	-	-	150,769	-	150,769	-	-	-	150,769	139,322
Interest expense and bank charges	-	-	-	-	-	-	-	16,781	-	16,781	16,781	18,028
Fundraising event expenses (including indirect benefit costs, Note 13)	-	-	-	-	-	-	-	-	753,296	753,296	753,296	702,617
Office services and expenses	-	-	-	-	6,571	-	6,571	207,874	60,631	268,505	275,076	235,590
Telecommunications	-	-	-	-	-	-	-	61,848	-	61,848	61,848	66,238
Meetings, travel and entertainment	-	-	-	-	2,038	-	2,038	73,386	7,607	80,993	83,031	105,694
Postage, dues, stationery and supplies	-	-	-	-	-	-	-	198,833	82,293	281,126	281,126	272,893
Office equipment rental and maintenance	-	-	-	-	-	-	-	85,679	-	85,679	85,679	71,111
Licenses, permits, etc.	-	-	-	-	-	-	-	2,780	-	2,780	2,780	1,575
Storage and warehouse	-	-	-	-	-	27,437	27,437	-	-	-	27,437	22,162
Total expenses before depreciation	19,225,498	6,189,808	816,142	1,954,358	1,431,802	4,938,438	34,556,046	4,075,969	2,038,832	6,114,801	40,670,847	40,533,261
Depreciation	-	-	-	-	-	2,397,380	2,397,380	238,426	-	238,426	2,635,806	969,997
Total Expenses, 2013	$19,225,498	$ 6,189,808	$816,142	$ 1,954,358	$ 1,431,802	$7,335,818	$36,953,426	$ 4,314,395	$ 2,038,832	$6,353,227	$43,306,653	
Total Expenses, 2012	$ 8,413,783	$18,504,073	$733,391	$ 1,800,989	$ 1,288,559	$4,976,366	$35,717,161	$ 3,868,919	$ 1,917,178	$5,786,097		$41,503,258

See independent auditors' report on supplementary information.

THE VIVIAN BEAUMONT THEATER, INC.
(d/b/a Lincoln Center Theater)

SCHEDULES OF OPERATING EXPENSES (EXCLUDING THEATRICAL PRODUCTION AND OPERATIONS AND SPECIAL ARTISTIC PROJECTS)

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Salaries	$ 5,605,594	$ 5,323,831
Employee benefits and payroll taxes	1,596,949	1,413,602
Total Salaries, Employee Benefits and Payroll Taxes	7,202,543	6,737,433
Advertising and publicity	110,636	102,367
Publications, recordings, seminars, and special projects	505,830	446,174
Utilities	883,859	747,656
Lincoln Center shared costs	685,278	632,929
Building security	276,950	199,714
Building maintenance	2,290,372	1,805,233
Insurance	349,806	294,159
Building costs charged to outside tenants	(10,568)	(17,061)
Professional fees and consulting	406,870	298,180
Membership services	150,769	139,322
Interest expense and bank charges	16,781	18,028
Fundraising event expenses (including indirect benefit costs, Note 13)	753,296	702,617
Office services and expenses	275,076	235,590
Telecommunications	61,848	66,238
Meetings, travel and entertainment	83,031	105,694
Postage, dues, stationery and supplies	281,126	272,893
Office equipment rental and maintenance	85,679	71,111
Licenses, permits, etc.	2,780	1,575
Storage and warehouse	27,437	22,162
Total expenses before depreciation	14,439,399	12,882,014
Depreciation	2,635,806	969,997
Total	$17,075,205	$13,852,011

See independent auditors' report on supplementary information.