

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

FINANCIAL STATEMENTS

JUNE 30, 2024



LUTZ AND GARR
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of The Vivian Beaumont Theater, Inc. (d/b/a Lincoln Center Theater) (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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) as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Vivian Beaumont Theater, Inc. (d/b/a Lincoln Center Theater) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Vivian Beaumont Theater, Inc.'s (d/b/a Lincoln Center Theater) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Vivian Beaumont Theater, Inc.'s (d/b/a Lincoln Center Theater) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Vivian Beaumont Theater, Inc.'s (d/b/a Lincoln Center Theater) ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The Vivian Beaumont Theater, Inc.'s (d/b/a Lincoln Center Theater) 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lotz + Carr, LLP

New York, New York
November 4, 2024

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024					2023
	Without Donor Restrictions			With	Total	Total
	Operating	Board- Designated	Total	Donor Restrictions		
Assets						
Current Assets						
Cash and cash equivalents (Notes 1c and 5)	\$ 3,394,640	\$ 500,050	\$ 3,894,690	\$ 6,667,135	\$ 10,561,825	\$ 6,333,490
Investment redemption receivable	498,013	-	498,013	-	498,013	117,803
Contributions receivable (Notes 1d and 7)	534,057	-	534,057	3,597,000	4,131,057	2,250,663
Accounts receivable (Note 1e)	726,820	-	726,820	-	726,820	459,956
Prepaid production costs and other current assets (Note 1h)	1,150,098	-	1,150,098	-	1,150,098	1,172,653
Restricted certificates of deposit (Note 5)	498,066	-	498,066	-	498,066	496,821
Total Current Assets	<u>6,801,694</u>	<u>500,050</u>	<u>7,301,744</u>	<u>10,264,135</u>	<u>17,565,879</u>	<u>10,831,386</u>
Non-Current Assets						
Contributions receivable (Notes 1d and 7)	-	-	-	2,860,797	2,860,797	4,092,409
Property and equipment, at cost, net of accumulated depreciation (Notes 1i and 8)	23,930,175	-	23,930,175	-	23,930,175	25,999,582
Investments (Notes 1f, 1g, 4 and 6)	<u>3,215,529</u>	<u>19,497,268</u>	<u>22,712,797</u>	<u>102,352,225</u>	<u>125,065,022</u>	<u>121,244,081</u>
Total Assets	<u><u>\$33,947,398</u></u>	<u><u>\$19,997,318</u></u>	<u><u>\$53,944,716</u></u>	<u><u>\$115,477,157</u></u>	<u><u>\$169,421,873</u></u>	<u><u>\$162,167,458</u></u>

See notes to financial statements.

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

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024				2023	
	Without Donor Restrictions			With Donor Restrictions	Total	
	Operating	Board-Designated	Total	Total	Total	
Liabilities and Net Assets						
Current Liabilities						
Accounts payable and accrued expenses	\$ 2,170,280	\$ -	\$ 2,170,280	\$ -	\$ 2,170,280	\$ 2,880,410
Advance box office sales	4,371,118	-	4,371,118	-	4,371,118	1,346,954
Deferred membership fees (Notes 1j and 9)	599,866	-	599,866	-	599,866	522,205
Total Current Liabilities	<u>7,141,264</u>	<u>-</u>	<u>7,141,264</u>	<u>-</u>	<u>7,141,264</u>	<u>4,749,569</u>
Commitments and Contingencies (Notes 6, 10, 11 and 12)						
Net Assets (Deficit)						
Without Donor Restrictions (Note 3a)						
Operating	2,875,959	-	2,875,959	-	2,875,959	(1,524,429)
Property and equipment	23,930,175	-	23,930,175	-	23,930,175	25,999,582
Reserves and quasi-endowments	-	19,997,318	19,997,318	-	19,997,318	27,249,562
Total Without Donor Restrictions	<u>26,806,134</u>	<u>19,997,318</u>	<u>46,803,452</u>	<u>-</u>	<u>46,803,452</u>	<u>51,724,715</u>
With Donor Restrictions (Note 3b)	-	-	-	115,477,157	115,477,157	105,693,174
Total Net Assets	<u>26,806,134</u>	<u>19,997,318</u>	<u>46,803,452</u>	<u>115,477,157</u>	<u>162,280,609</u>	<u>157,417,889</u>
Total Liabilities and Net Assets	<u><u>\$33,947,398</u></u>	<u><u>\$19,997,318</u></u>	<u><u>\$53,944,716</u></u>	<u><u>\$115,477,157</u></u>	<u><u>\$169,421,873</u></u>	<u><u>\$162,167,458</u></u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024						2023	
	Without Donor Restrictions				Total	With Donor Restrictions	Total	Total
	Operating Regular Program	Extended Program	Property and Equipment	Reserves and Quasi-Endowments				
Changes in Net Assets								
Revenue, Gains and Public Support								
Box office revenue and admission fees	\$12,921,005	\$1,853,911	\$ -	\$ -	\$ 14,774,916	\$ -	\$ 14,774,916	\$ 15,252,367
Membership fees (Note 9)	1,087,976	-	-	-	1,087,976	-	1,087,976	1,009,441
Theater rental fees and surcharges	165,928	-	-	-	165,928	-	165,928	729,637
Share of Lincoln Center garage revenue and city funding for public areas (Note 11)	248,214	-	-	-	248,214	-	248,214	247,344
Royalties	147	208,549	-	-	208,696	-	208,696	327,181
Television and recording income	-	59,735	-	-	59,735	-	59,735	36,026
Merchandise and concession income	131,586	-	-	-	131,586	-	131,586	235,522
Miscellaneous revenue	149,907	-	-	-	149,907	-	149,907	125,756
Total from Earned Revenue	<u>14,704,763</u>	<u>2,122,195</u>	<u>-</u>	<u>-</u>	<u>16,826,958</u>	<u>-</u>	<u>16,826,958</u>	<u>17,963,274</u>
Net investment income (Note 6)	585,725	-	-	3,588,236	4,173,961	14,510,848	18,684,809	13,311,345
Appropriations of endowment funds pursuant to spending policy	5,283,435	-	-	(1,001,419)	4,282,016	(4,282,016)	-	-
Total from Investments	<u>5,869,160</u>	<u>-</u>	<u>-</u>	<u>2,586,817</u>	<u>8,455,977</u>	<u>10,228,832</u>	<u>18,684,809</u>	<u>13,311,345</u>
Contributions	7,633,776	-	-	-	7,633,776	3,294,978	10,928,754	8,636,211
Gross revenue from fundraising benefits (Note 13)	2,502,627	-	-	-	2,502,627	-	2,502,627	2,457,179
Less: Direct costs of fundraising benefits	(274,798)	-	-	-	(274,798)	-	(274,798)	(209,600)
Gersten Fund contributions designated by Board for current year (Note 3a)	605,167	-	-	(605,167)	-	-	-	-
Larsen Fund contributions designated by Board for current year (Note 3a)	460,000	-	-	(460,000)	-	-	-	-
Net assets released from restrictions - satisfaction of time and use restrictions	3,739,827	-	-	-	3,739,827	(3,739,827)	-	-
Total from Public Support	<u>14,666,599</u>	<u>-</u>	<u>-</u>	<u>(1,065,167)</u>	<u>13,601,432</u>	<u>(444,849)</u>	<u>13,156,583</u>	<u>10,883,790</u>
Total Revenue, Gains and Public Support	35,240,522	2,122,195	-	1,521,650	38,884,367	9,783,983	48,668,350	42,158,409
Transfer for acquisition of property and equipment	(103,331)	-	103,331	-	-	-	-	-
Total Revenue, Gains and Public Support (carried forward)	<u>35,137,191</u>	<u>2,122,195</u>	<u>103,331</u>	<u>1,521,650</u>	<u>38,884,367</u>	<u>9,783,983</u>	<u>48,668,350</u>	<u>42,158,409</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024						2023	
	Without Donor Restrictions				Total	With Donor Restrictions	Total	Total
	Operating Regular Program	Extended Program	Property and Equipment	Reserves and Quasi-Endowments				
Changes in Net Assets (continued)								
Total Revenue, Gains and Public Support (brought forward)	\$35,137,191	\$2,122,195	\$ 103,331	\$ 1,521,650	\$38,884,367	\$ 9,783,983	\$ 48,668,350	\$ 42,158,409
Expenses								
Program Services								
Theatrical productions - direct costs	17,463,895	2,979,337	-	-	20,443,232	-	20,443,232	26,335,561
Theatrical productions - artistic staff and facilities	10,046,302	-	2,097,014 *	-	12,143,316	-	12,143,316	12,169,092
Marketing, education and outreach	2,204,525	-	-	-	2,204,525	-	2,204,525	1,898,022
Special artistic projects	405,218	-	-	-	405,218	-	405,218	531,092
Total Program Services	<u>30,119,940</u>	<u>2,979,337</u>	<u>2,097,014</u>	<u>-</u>	<u>35,196,291</u>	<u>-</u>	<u>35,196,291</u>	<u>40,933,767</u>
Supporting Services								
Management and general	5,483,221	-	75,724 *	-	5,558,945	-	5,558,945	5,940,812
Fundraising	3,050,394	-	-	-	3,050,394	-	3,050,394	2,396,724
Total Supporting Services	<u>8,533,615</u>	<u>-</u>	<u>75,724</u>	<u>-</u>	<u>8,609,339</u>	<u>-</u>	<u>8,609,339</u>	<u>8,337,536</u>
Total Expenses	<u>38,653,555</u>	<u>2,979,337</u>	<u>2,172,738 *</u>	<u>-</u>	<u>43,805,630</u>	<u>-</u>	<u>43,805,630</u>	<u>49,271,303</u>
Increase (Decrease) in Net Assets	<u>(3,516,364)</u>	<u>(857,142)</u>	<u>(2,069,407)</u>	<u>1,521,650</u>	<u>(4,921,263)</u>	<u>9,783,983</u>	<u>4,862,720</u>	<u>(7,112,894)</u>
Net decrease from operations of regular and extended programs combined	(4,373,506)							
Board-designated transfer from operating reserve (Note 3a)	5,000,000		-	(5,000,000)	-	-	-	-
Transfer of investment return of operating and production reserves	339,061		-	(339,061)	-	-	-	-
Special transfer from board-designated quasi-endowments	3,434,833		-	(3,434,833)	-	-	-	-
Net assets (deficit), beginning of year	<u>(1,524,429)</u>		<u>25,999,582</u>	<u>27,249,562</u>	<u>51,724,715</u>	<u>105,693,174</u>	<u>157,417,889</u>	<u>164,530,783</u>
Net Assets, End of Year	<u>\$2,875,959</u>		<u>\$23,930,175</u>	<u>\$19,997,318</u>	<u>\$46,803,452</u>	<u>\$115,477,157</u>	<u>\$162,280,609</u>	<u>\$157,417,889</u>

* Depreciation expense

See notes to financial statements.

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

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024					2023					
	Program Services					Supporting Services					
	Theatrical Productions - Direct Costs		Theatrical Productions - Artistic Staff and Facilities	Marketing, Education and Outreach	Special Artistic Projects	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
	Regular Program	Extended Program									
Salaries	\$ 4,586,323	\$1,367,109	\$ 2,868,530	\$ 850,746	\$ -	\$ 9,672,708	\$ 3,062,757	\$ 1,402,193	\$4,464,950	\$14,137,658	\$17,060,899
Employee benefits and payroll taxes	3,016,604	582,374	1,095,417	359,761	-	5,054,156	1,081,762	517,911	1,599,673	6,653,829	7,286,668
Total Salaries, Employee Benefits and Payroll Taxes	<u>7,602,927</u>	<u>1,949,483</u>	<u>3,963,947</u>	<u>1,210,507</u>	<u>-</u>	<u>14,726,864</u>	<u>4,144,519</u>	<u>1,920,104</u>	<u>6,064,623</u>	<u>20,791,487</u>	<u>24,347,567</u>
Physical production (scenery, costumes, etc.)	1,753,713	-	-	-	-	1,753,713	-	-	-	1,753,713	3,203,194
Production take-in and take-out	2,668,581	357,752	-	-	-	3,026,333	-	-	-	3,026,333	2,044,762
Artists' fees	712,868	-	-	-	71,500	784,368	-	-	-	784,368	945,780
Royalties	609,696	99,009	-	-	-	708,705	-	-	-	708,705	734,478
Advertising	2,417,375	139,150	-	59,601	-	2,616,126	-	14,563	14,563	2,630,689	4,129,253
Theatrical equipment rentals	482,723	121,575	-	-	-	604,298	-	-	-	604,298	876,746
Theatrical departmental expenses	347,353	66,101	-	-	-	413,454	-	-	-	413,454	337,603
Miscellaneous theatrical expenses	868,659	16,206	-	-	-	884,865	-	-	-	884,865	777,671
Publications, recordings, seminars and special projects	-	230,061	-	703,911	333,718	1,267,690	-	39,140	39,140	1,306,830	1,132,724
Utilities	-	-	773,075	-	-	773,075	-	-	-	773,075	838,889
Lincoln Center shared costs	-	-	1,207,999	-	-	1,207,999	-	-	-	1,207,999	1,029,967
Building security	-	-	554,254	-	-	554,254	-	-	-	554,254	519,246
Building maintenance	-	-	2,993,343	-	-	2,993,343	-	-	-	2,993,343	2,785,950
Insurance	-	-	487,547	-	-	487,547	81,282	-	81,282	568,829	569,804
Professional fees and consulting	-	-	-	93,096	-	93,096	364,842	338,473	703,315	796,411	444,019
COVID safety and risk management	-	-	7,175	-	-	7,175	-	-	-	7,175	632,267
Membership services	-	-	-	131,427	-	131,427	-	-	-	131,427	79,495
Interest expense, taxes and bank charges	-	-	-	-	-	-	28,486	-	28,486	28,486	22,746
Fundraising event expenses (including indirect benefit costs, Note 13)	-	-	-	-	-	-	-	558,877	558,877	558,877	600,953
Office services and expenses	-	-	-	5,187	-	5,187	418,583	157,968	576,551	581,738	459,818
Telecommunications	-	-	-	-	-	-	40,293	-	40,293	40,293	41,382
Meetings, travel and entertainment	-	-	-	796	-	796	41,405	12,772	54,177	54,973	70,238
Postage, dues, supplies and materials	-	-	-	-	-	-	122,179	8,497	130,676	130,676	137,338
Office equipment rental and maintenance	-	-	-	-	-	-	239,969	-	239,969	239,969	252,650
Licenses, permits, etc.	-	-	-	-	-	-	1,663	-	1,663	1,663	1,697
Storage and warehouse	-	-	58,962	-	-	58,962	-	-	-	58,962	43,890
Total expenses before depreciation	<u>17,463,895</u>	<u>2,979,337</u>	<u>10,046,302</u>	<u>2,204,525</u>	<u>405,218</u>	<u>33,099,277</u>	<u>5,483,221</u>	<u>3,050,394</u>	<u>8,533,615</u>	<u>41,632,892</u>	<u>47,060,127</u>
Depreciation	<u>-</u>	<u>-</u>	<u>2,097,014</u>	<u>-</u>	<u>-</u>	<u>2,097,014</u>	<u>75,724</u>	<u>-</u>	<u>75,724</u>	<u>2,172,738</u>	<u>2,211,176</u>
Total Expenses, 2024	<u>\$17,463,895</u>	<u>\$2,979,337</u>	<u>\$ 12,143,316</u>	<u>\$ 2,204,525</u>	<u>\$405,218</u>	<u>\$35,196,291</u>	<u>\$ 5,558,945</u>	<u>\$ 3,050,394</u>	<u>\$8,609,339</u>	<u>\$43,805,630</u>	
Total Expenses, 2023	<u>\$25,435,226</u>	<u>\$ 900,335</u>	<u>\$ 12,169,092</u>	<u>\$ 1,898,022</u>	<u>\$531,092</u>	<u>\$40,933,767</u>	<u>\$ 5,940,812</u>	<u>\$ 2,396,724</u>	<u>\$8,337,536</u>	<u>\$49,271,303</u>	

See notes to financial statements.

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024	2023
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 4,862,720	\$ (7,112,894)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation	2,172,738	2,211,176
Net realized and unrealized (gain) loss on investments	(17,275,974)	(12,845,095)
Realized loss on theatrical limited partnerships	-	250,000
Endowment contributions	(100,000)	(250,000)
(Increase) decrease in:		
Contributions receivable	(648,782)	344,829
Accounts receivable	(266,864)	185,857
Prepaid production costs and other current assets	22,555	(415,841)
Increase (decrease) in:		
Accounts payable and accrued expenses	(710,130)	546,803
Advance box office sales	3,024,164	1,195,163
Deferred membership fees	77,661	101,484
Net Cash Used By Operating Activities	(8,841,912)	(15,788,518)
Cash Flows From Investing Activities		
Purchase of restricted certificate of deposit	(1,245)	(1,239)
Purchase of property and equipment	(103,331)	(271,574)
Investments in theatrical limited partnerships	-	(250,000)
Returns from investments in theatrical limited partnerships	-	219,102
Sale of investments	55,793,377	21,262,156
Purchase of investments	(42,718,554)	(4,178,153)
Net Cash Provided By Investing Activities	12,970,247	16,780,292
Cash Flows From Financing Activities		
Endowment contributions received	100,000	500,000
Net increase in cash and cash equivalents	4,228,335	1,491,774
Cash and cash equivalents, beginning of year	6,333,490	4,841,716
Cash and Cash Equivalents, End of Year	\$10,561,825	\$ 6,333,490

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The primary exempt purpose of The Vivian Beaumont Theater, Inc. (d/b/a Lincoln Center Theater, the "Theater") 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 2024 regular program consisted of a series of theatrical productions at the Vivian Beaumont Theater and Mitzi E. Newhouse Theater at Lincoln Center (*Flex*, *The Gardens of Anuncia*, *Corruption*, and *Uncle Vanya*) and the LCT3 program at the Claire Tow Theater at Lincoln Center (*Let's Call Her Patty*, *Daphne*, and *The Keep Going Songs*).

The 2023 regular program consisted of a series of theatrical productions at the Vivian Beaumont Theater and Mitzi E. Newhouse Theater at Lincoln Center (*Epiphany*, *Becky Nurse of Salem*, *The Coast Starlight*, and *Camelot*) and the LCT3 program at the Claire Tow Theater at Lincoln Center (*The Nosebleed*, *Your Own Personal Exegesis*, and *Next@LCT3*).

The Theater sponsors various special artistic projects such as the Play Development Program (readings and workshops), commissions for new plays and musicals, and the *Lincoln Center Theater Review*.

2 - Extended Program

The 2024 extended program consisted of the final three weeks of the extended run of *Camelot* at the Vivian Beaumont Theater, as well as recordings of *Flying Over Sunset* and *The Gardens of Anuncia*. The 2023 extended program consisted of the first week of the extended run of *Camelot* at the Vivian Beaumont Theater.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

b - Financial Statement Presentation

The financial statements of the Theater have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Theater to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Theater. These net assets may be used at the discretion of the Theater's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Theater or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

c - 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, except for cash equivalents held as part of the Theater's pooled investment portfolio.

d - Contributions Receivable and Contributions

Contributions are recognized when the donor makes a promise to give to the Theater, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future are not recognized until the condition on which they depend has been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as increases in net assets without donor restrictions when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

d - Contributions Receivable and Contributions (continued)

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.

e - Credit Losses

Accounts receivable are presented net of an allowance of credit losses, which is an estimate of amounts that may not be collectible. The Theater separates accounts receivable into risk pools bases on their aging. In determining the amount of the allowance as of the statement of financial position date, the Theater develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

f - Investments

The Theater reflects investments at fair value in the statement of financial position. Investment income on investments is reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income that is limited to specific uses by donor imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the investment income is recognized. All other donor-restricted investment income is reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent as a practical expedient. Net asset value per share 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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

g - 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 data 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. Reporting entities that measure the fair value of an investment using the net asset value per share or its equivalent as a practical expedient are not required to be categorized within the fair value hierarchy.

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.

h - Production Costs

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

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

j - Revenue Recognition

The Theater has multiple revenue streams that are accounted for as exchange transactions, including box office revenue and admission fees, membership fees, theater rental fees and surcharges, royalties, and other product sale and rental income. Box office revenue and admission fees are recognized as income when earned on the date of the performance. Advance box office sales represent unearned income from ticket sales and will be recognized as revenue when the future performance occurs. Rental fees and surcharges are recognized when the rentals occur. Membership fee revenue is deferred when received and recognized over the term of the membership.

k - 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.

l - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Theater's expenses are directly related to program activities. The expenses that are allocated include certain salaries and fringe benefits based on an estimate of employee time and effort.

m - Advertising Expense

Advertising expense is charged to operations at the time the advertising occurs.

n - 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.

o - Subsequent Events

The Theater has evaluated subsequent events through November 4, 2024, the date that the financial statements are considered available to be issued.

p - New Accounting Standard

During 2024, the Theater adopted ASU 2016-13, *Current Expected Credit Losses* ("Topic 326"). The core principles of ASU 2016-13 (the "ASU") significantly change the way organizations recognize credit losses from the incurred loss model to the expected loss model for most financial assets. The financial asset held by the Theater that is subject to the ASU was trade accounts receivable. The adoption of the ASU did not have a significant impact to assets.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2 - Information Regarding Liquidity and Availability

The Theater operates with a budget for each fiscal year based on the funds expected to be available to meet anticipated expenses. A substantial portion of these funds consists of contributions and other revenue received, earned, or released in the current year, but in addition, there are available funds accumulated in previous years. The Theater considers general expenditures to consist of all expenses related to its ongoing program activities, as well as the general and administrative and fundraising expenses necessary to support these programs.

The Theater monitors liquidity to meet its operating needs and other commitments and obligations while seeking to maximize the investment of its available funds. Management prepares cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market accounts, and other short-term investments.

The Theater's financial assets as of June 30, 2024 and 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 10,561,825	\$ 6,333,490
Investment redemption receivable	498,013	117,803
Contributions receivable	6,991,854	6,343,072
Accounts receivable	726,820	459,956
Restricted certificates of deposit	498,066	496,821
Investments	<u>125,065,022</u>	<u>121,244,081</u>
Total Financial Assets	144,341,600	134,995,223
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(13,140,736)	(13,044,624)
Plus: Net assets with donor restrictions expected to be met in less than one year	6,829,939	4,025,942
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(102,336,421)	(92,648,550)
Plus: Amounts appropriated for use within one year	4,584,489	4,385,230
Net assets restricted by Board, subject to spending policy and appropriation	(19,997,318)	(27,249,562)
Plus: Amounts appropriated for use within one year	1,011,835	1,001,419
Restricted certificates of deposit	<u>(498,066)</u>	<u>(496,821)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 20,795,322</u>	<u>\$ 10,968,257</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2 - Information Regarding Liquidity and Availability (continued)

In addition to these financial assets available within one year, the Theater maintains board-designated endowments of approximately \$19,497,000 (less the 2024 appropriation of approximately \$1,012,000 included above) and operating and production reserves of approximately \$500,000. These amounts could be made available at any time to meet cash needs for general expenditures at the discretion of the Board of Directors.

Note 3 - Restrictions and Designations on Net Assets

a - Net Assets Without Donor Restrictions

Net assets without donor restrictions are comprised of the following:

	<u>2024</u>	<u>2023</u>
Operating (deficit)	\$ 2,875,959	\$ (1,524,429)
Property and equipment	23,930,175	25,999,582
Reserves and Quasi-Endowments:		
Board-designated operating reserve	-	5,000,000
Bernard Gersten LCT Productions Fund	250,050	855,217
Larsen LCT Productions Fund	250,000	710,000
Board-designated quasi-endowment	19,497,268	19,309,043
Doris Duke Charitable Foundation quasi-endowment	<u>-</u>	<u>1,375,302</u>
	<u>\$46,803,452</u>	<u>\$51,724,715</u>

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 funds without donor restrictions 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 operating funds. All or part of the principal may be expended by vote of the Board of Directors. During the year ended June 30, 2024, by vote of the Board of Directors, \$5,000,000 was transferred to the unrestricted operating fund.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 3 - Restrictions and Designations on Net Assets (continued)

a - Without Donor Restrictions (continued)

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 Producing 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.

During the year ended June 30, 2024, \$250,000 was expended from this fund for the production of *Uncle Vanya*, and \$355,167 was expended for the production of *The Gardens of Anuncia*.

Ray and Maryann Larsen LCT Productions Fund

The proceeds of a grantor charitable lead annuity trust established for the benefit of the Theater by Ray Larsen (a former Board member) and his wife were designated by the Board of Directors in their memory as the Ray and Maryann Larsen LCT Productions Fund and held in reserve to support future theatrical productions. This reserve fund may be expended for such productions upon request of the Producing 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.

During the year ended June 30, 2024, \$250,000 was expended from this fund for the production of *Uncle Vanya*, and \$210,000 was expended for the production of *Corruption*.

Board-Designated Quasi-Endowment

Transfers of operating 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, 2024 and 2023. Appropriations are made from the quasi-endowment to operations according to the spending policy applicable to endowment funds. During the year ended June 30, 2024, the Board authorized a special transfer from the quasi-endowment to operations, over and above the ordinary spending policy.

Doris Duke Charitable Foundation Quasi-Endowment

To supplement the Doris Duke Charitable Foundation endowment, the Theater established a board-designated fund for the same purpose, and subject to the same spending policy applicable to endowment funds. During the year ended June 30, 2024, the Board authorized transferring the balance to operations.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 3 - Restrictions and Designations on Net Assets (continued)

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of the following:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Theatrical productions	\$ 6,459,041	\$ 6,892,155
Playwrights and other commissions	314,042	660,384
Literary activities	2,400,000	2,900,000
Capital projects	1,219,170	1,102,146
Digital acceleration project	748,517	-
Other programs	<u>201,210</u>	<u>299,189</u>
	<u>11,341,980</u>	<u>11,853,874</u>
Subject to passage of time:		
Future periods	<u>1,798,756</u>	<u>1,190,750</u>
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount:		
Lila Acheson & DeWitt Wallace Endowment	39,419,581	31,113,152
Doris Duke Charitable Foundation Endowment	1,839,030	1,384,263
Other endowments	<u>4,120,605</u>	<u>3,293,930</u>
	<u>45,379,216</u>	<u>35,791,345</u>
Investment in perpetuity:		
Lila Acheson & DeWitt Wallace Endowment	45,324,387	45,324,387
Doris Duke Charitable Foundation Endowment	2,800,609	2,800,609
Other endowments	<u>8,832,209</u>	<u>8,732,209</u>
	<u>56,957,205</u>	<u>56,857,205</u>
Total Endowments	<u>102,336,421</u>	<u>92,648,550</u>
Total Net Assets With Donor Restrictions	<u>\$115,477,157</u>	<u>\$105,693,174</u>

Endowments and reserves consist of the following as of June 30:

1 - Lila Acheson & DeWitt Wallace Endowment

The Lila Acheson & DeWitt Wallace endowment was established by an agreement dated April 30, 2001. The original fair market value of the Wallace endowment was recorded as \$56,655,483. In addition to the annual spending allowance, a "special contribution" of up to 20% of the original fair value of the Wallace endowment is allowed to 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. Accordingly, 80% (\$45,324,387) of the original fair market value of the Wallace endowment is classified in these financial statements as restricted in perpetuity, while the remainder is classified as restricted subject to spending policy and appropriation.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 3 - Restrictions and Designations on Net Assets (continued)

b - Net Assets With Donor Restrictions (continued)

1 - Lila Acheson & DeWitt Wallace Endowment (continued)

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.

2 - 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 earnings on the Duke endowment are allowed to be expended in accordance with the general 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.

3 - Other Endowments

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

Note 4 - Endowment Funds

The Theater's endowment consists of donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. 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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4 - Endowment Funds (continued)

Consistent with the New York State Prudent Management of Institutional Funds Act (“NYPMIFA”), the Theater classifies as net assets with donor restrictions for investment in perpetuity (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted 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 for investment in perpetuity is classified as subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Theater.

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 investments as of June 30, 2024 and 2023:

	2024			Total
	Without Donor Restrictions	With Donor Restrictions		
		Investment Income Above Original Amount	Investment in Perpetuity	
Donor-restricted endowment funds	\$ -	\$45,379,216	\$56,957,205	\$102,336,421
Board-designated endowment funds	<u>19,497,268</u>	<u>-</u>	<u>-</u>	<u>19,497,268</u>
Total Endowment Funds	<u>\$19,497,268</u>	<u>\$45,379,216</u>	<u>\$56,957,205</u>	<u>\$121,833,689</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4 - Endowment Funds (continued)

	2023			Total
	Without Donor Restrictions	With Donor Restrictions		
	Investment Income Above Original Amount	Investment in Perpetuity		
Donor-restricted endowment funds	\$ -	\$35,791,345	\$56,857,205	\$ 92,648,550
Board-designated endowment funds	<u>20,684,345</u>	-	-	<u>20,684,345</u>
Total Endowment Funds	<u>\$20,684,345</u>	<u>\$35,791,345</u>	<u>\$56,857,205</u>	<u>\$113,332,895</u>

The fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the original endowment gift. There were no such deficiencies as of June 30, 2024 or 2023.

Changes in the fair value of the cash and investments of the Theater's endowment funds for the years ended June 30, 2024 and 2023 are summarized as follows:

	2024			Total
	Without Donor Restrictions	With Donor Restrictions		
	Investment Income Above Original Amount	Investment in Perpetuity		
Endowment funds, beginning of year	\$20,684,345	\$35,791,345	\$56,857,205	\$113,332,895
Investment return	3,249,175	14,510,848	-	17,760,023
Appropriation of endowment assets for expenditure	(4,436,252)	(4,922,977)	-	(9,359,229)
Contributions	-	-	100,000	100,000
Endowment Funds, End of Year	<u>\$19,497,268</u>	<u>\$45,379,216</u>	<u>\$56,957,205</u>	<u>\$121,833,689</u>

	2023			Total
	Without Donor Restrictions	With Donor Restrictions		
	Investment Income Above Original Amount	Investment in Perpetuity		
Endowment funds, beginning of year	\$19,565,304	\$30,747,450	\$56,357,205	\$106,669,959
Investment return	2,096,694	9,345,686	-	11,442,380
Appropriation of endowment assets for expenditure	(977,653)	(4,301,791)	-	(5,279,444)
Contributions	-	-	500,000	500,000
Endowment Funds, End of Year	<u>\$20,684,345</u>	<u>\$35,791,345</u>	<u>\$56,857,205</u>	<u>\$113,332,895</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4 - 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, 2024 was reviewed (according to the criteria established by NYPMIFA) by the Investment Committee of the Theater's Board of Directors, which concluded that 5% 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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4 - 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.

Note 5 - Restricted Certificates of Deposit and Concentration of Credit Risk

Restricted certificates of deposit (\$498,066 at June 30, 2024) are pledged as collateral for a salary bond under a security agreement with Actors' Equity Association. This amount was \$496,821 at June 30, 2023.

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

	<u>2024</u>	<u>2023</u>
Bank accounts	\$ 4,494,895	\$4,280,165
Money market funds	<u>6,066,930</u>	<u>2,053,325</u>
	<u>\$10,561,825</u>	<u>\$6,333,490</u>

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, 2024, 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).

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6 - Investments

The following summarizes the Theater's investments at June 30, 2024 and 2023:

	<u>2024</u>			<u>2023</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>
Cash equivalents	\$ 8,108,502	\$ 8,108,502	\$ 8,108,502	\$ 1,866,081	\$ 1,866,081	\$1,866,081
Marketable debt and equity securities	126,443	134,637	134,637	128,019	129,263	129,263
Mutual fund - intermediate-term Treasury	33,110	30,313	30,313	3,606,763	3,319,595	3,319,595
Mutual fund - short-term Treasury	5,162,767	5,142,618	5,142,618	6,454	6,242	6,242
Mutual fund - emerging market equities	<u>2,565,413</u>	<u>2,781,175</u>	<u>2,781,175</u>	-	-	-
Total Assets in Fair Value Hierarchy	<u>15,996,235</u>	<u>16,197,245</u>	<u>16,197,245</u>	<u>5,607,317</u>	<u>5,321,181</u>	<u>5,321,181</u>
Alternative Investments						
Investment funds - U.S. equities	54,641,947	64,765,568		36,784,398	49,477,838	
Investment funds - non-U.S. equities	10,200,000	12,272,881		18,784,949	27,147,648	
Investment fund - bank loans	3,500,000	3,299,125		3,500,000	3,260,477	
Hedge funds	18,375,210	22,711,442		25,541,593	33,063,757	
Private equity funds	738,252	982,979		617,622	587,908	
Private equity - distressed opportunities	-	284,770		-	327,476	
Private equity - credit opportunities	<u>4,153,052</u>	<u>4,551,012</u>		<u>2,012,198</u>	<u>2,057,796</u>	
Total Investments Measured at Net Asset Value	<u>91,608,461</u>	<u>108,867,777</u>		<u>87,240,760</u>	<u>115,922,900</u>	
Total Investments	<u>\$107,604,696</u>	<u>\$125,065,022</u>	<u>\$16,197,245</u>	<u>\$92,848,077</u>	<u>\$121,244,081</u>	<u>\$5,321,181</u>

Net investment income consists of:

	<u>2024</u>					
	<u>Without Donor Restrictions</u>				<u>With Donor Restrictions</u>	
	<u>Operating</u>	<u>Operating and Production Reserves</u>	<u>Quasi-Endowment</u>	<u>Total</u>	<u>Restrictions</u>	<u>Total</u>
Interest and dividends	\$238,636	\$ 41,283	\$ 395,610	\$ 675,529	\$ 1,773,118	\$ 2,448,647
Realized gain on sale of investments, net of fees and expenses of \$1,039,812	582,683	498,503	4,777,089	5,858,275	21,313,565	27,171,840
Unrealized loss on investments	<u>(235,594)</u>	<u>(200,725)</u>	<u>(1,923,524)</u>	<u>(2,359,843)</u>	<u>(8,575,835)</u>	<u>(10,935,678)</u>
Total Net Investment Income	<u>\$585,725</u>	<u>\$339,061</u>	<u>\$3,249,175</u>	<u>\$4,173,961</u>	<u>\$14,510,848</u>	<u>\$18,684,809</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6 - Investments (continued)

	2023					
	Without Donor Restrictions				With Donor Restrictions	Total
	Operating	Operating and Production Reserves	Quasi- Endowment	Total		
Interest and dividends	\$ 193,895	\$ 144,972	\$ 235,357	\$ 574,224	\$ 1,055,930	\$ 1,630,154
Realized loss on sale of investments, net of fees and expenses of \$913,904	(650,210)	(714,254)	(1,159,576)	(2,524,040)	(5,159,661)	(7,683,701)
Unrealized gain on investments	<u>1,033,797</u>	<u>1,860,765</u>	<u>3,020,913</u>	<u>5,915,475</u>	<u>13,449,417</u>	<u>19,364,892</u>
Total Net Investment Income	<u>\$ 577,482</u>	<u>\$1,291,483</u>	<u>\$2,096,694</u>	<u>\$3,965,659</u>	<u>\$ 9,345,686</u>	<u>\$13,311,345</u>

The Theater has committed to invest a total of approximately \$21,500,000 in private equity limited partnerships and other alternative investments which make periodic capital calls. As of June 30, 2024, the Theater had made investments totaling approximately \$15,052,000 leaving an outstanding commitment of approximately \$6,447,000.

At June 30, 2024, concentrations of the Theater's investments in excess of 10% of the fair value of its portfolio included approximately 62% invested in two 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:

	2024	2023
Hedge Funds and Investment Funds:		
Daily redemption with ten days' notice	\$ -	\$ 1,897,182
Monthly redemption with two-week notice	-	17,718,512
Monthly redemption with thirty days' notice	3,299,125	7,014,027
Quarterly redemption with sixty days' notice	69,277,449	53,256,242
Quarterly redemption with sixty-five days' notice	-	5,142,894
Quarterly redemption with ninety-five days' notice	1,331,746	-
Quarterly redemption with ninety-five days' notice and initial two and a half to three-year lockup	1,573,041	4,777,192
Quarterly redemption with ninety days' notice and initial one-year lockup	2,000,000	-
Semi-annual redemption with sixty days' notice	14,855,245	13,492,428
Semi-monthly redemption with six days' notice	4,951,410	-
Annual redemption with ninety-five days' notice	-	9,651,239
Triennially redemption with one hundred twenty days' notice and initial three-year lock up	<u>5,761,000</u>	<u>-</u>
	103,049,016	112,949,716
Private Equity Funds:		
No opportunity for redemption; distributions made only at fund's discretion	<u>5,818,761</u>	<u>2,973,184</u>
	<u>\$108,867,777</u>	<u>\$115,922,900</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6 - Investments (continued)

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

Investment Funds - U.S. Equities

These funds invest primarily in U.S. equity securities.

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

These funds (and their underlying hedge funds) invest in equity, fixed income, and derivative instruments and vary their investment strategies in response to changing market opportunities.

Private Equity Funds

This fund category may include early-stage venture capital (startups), growth equity (later stage privates), and buyouts, including private equity/venture capital fund of funds.

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.

Private Equity - Credit Opportunities

These funds invest in a range of distressed and undervalued credit instruments, including opportunistic corporate loans and securities, residential loans and securities, commercial mortgage loans and securities, and other consumer or commercial assets and asset-backed securities.

Based on information provided by the investment fund managers, the Theater expects that the remaining life of the nonredeemable private equity funds is between one to five years.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 7 - Contributions Receivable

Contributions receivable are due as follows as of June 30, 2024:

<u>Year Ending June 30,</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2025	\$534,057	\$3,597,000	\$4,131,057
2026	-	1,550,000	1,550,000
2027	-	300,000	300,000
2028	-	300,000	300,000
2029	-	300,000	300,000
Thereafter	-	<u>500,000</u>	<u>500,000</u>
	<u>534,057</u>	<u>6,547,000</u>	<u>7,081,057</u>
Less: Discount to present value	<u>-</u>	<u>(89,203)</u>	<u>(89,203)</u>
	<u>\$534,057</u>	<u>\$6,457,797</u>	<u>\$6,991,854</u>

Uncollectible contributions receivable are expected to be insignificant. Contributions receivable which are due after one year are discounted to net present value using discount rates ranging from 0.5% to 4.33% per annum.

Note 8 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>Life</u>	<u>2024</u>	<u>2023</u>
Leasehold improvements	10-25 years	\$68,888,660	\$68,864,011
Furniture, fixtures and equipment	5-15 years	<u>3,948,616</u>	<u>3,869,934</u>
		72,837,276	72,733,945
Less: Accumulated depreciation		<u>(48,907,101)</u>	<u>(46,734,363)</u>
		<u>\$23,930,175</u>	<u>\$25,999,582</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, \$1,087,976 in membership fees were recognized as income. At June 30, 2024, \$599,866 in unamortized fees remained deferred. For the year ended and as of June 30, 2023, these amounts were \$1,009,441 and \$522,705, respectively.

Note 10 - Commitment and Contingency

a - During the year ended June 30, 2024, approximately 53% of total employee compensation was paid under collective bargaining agreements.

b - Certain management compensation is guaranteed by contract, summarized as follows:

<u>Year Ending June 30,</u>	
2025	\$1,235,000
2026	1,075,000
2027	1,115,000
2028	1,150,000
2029	1,195,000
2030	1,240,000

In the event of separation from employment under certain circumstances, six months or one year of salary and benefits would remain due.

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

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

The Theater leases the Lincoln Center Theater building (including 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 \$1,207,999 (2024) and \$1,029,967 (2023).

The Theater also shares in Lincoln Center's Corporate Fund (\$289,974 in 2024) and receives a portion of underground garage revenue (\$201,619) and New York City funding (\$46,595) in exchange for its sharing in the maintenance of the Lincoln Center public areas. These amounts were \$302,367, \$200,749 and \$46,595 in 2023, 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 multiple-employer defined benefit pension plan with Lincoln Center and other organizations affiliated with Lincoln Center, which covers its full-time non-union administrative staff hired on or before June 30, 2017. Under a modification of the plan adopted as of June 30, 2017, employees hired after that date are not eligible to participate in the plan, but employees hired on or before that date will continue to participate in the plan and accrue additional benefits. The Theater made contributions of \$521,255 and \$684,877 to fund pension obligations in the years ended June 30, 2024 and 2023, respectively.

During the year ended June 30, 2024, the Theater elected to freeze the defined benefit pension plan. Effective January 1, 2024, participating employees will not accrue additional benefits, and will remain entitled to benefits accrued through December 31, 2023. Also effective January 1, 2024, employees participating in the defined benefit pension plan will become eligible to participate in and receive employer contributions in the defined contribution 403(b) plan.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 12 - Pension and Other Benefit Plans (continued)

a - (continued)

A defined contribution 403(b) plan was established effective July 1, 2019 for those employees not covered under the aforementioned defined benefit pension plan. After one year of full-time service, the Theater contributes 3% of the compensation of all eligible employees and matches the 403(b) salary deferrals of these eligible employees up to an additional 3% of their compensation. The Theater made contributions of \$226,730 and \$43,536 during the years ended June 30, 2024 and 2023, 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 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 2024 and 2023 is for the plan's year-end at December 31, 2023 and December 31, 2022, 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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Note 12 - Pension and Other Benefit Plans (continued)

<u>Pension Fund</u>	<u>EIN/Pension Plan Number</u>	<u>Pension Protection Act Zone Status</u>		<u>FIP/RP Status Pending/ Implemented</u>	<u>Contributions of the Theater</u>		<u>Surcharge Imposed</u>	<u>Expiration Date of Collective Bargaining Agreement</u>
		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		
Pension Fund of Local No. One, IATSE (Stage Employees)	13-6414973/001	Green	Green	N/A	\$334,906	\$404,406	No	currently in negotiation
Equity-League Pension Trust Fund (Actors and Stage Managers)	13-6696817/001	Green	Green	N/A	150,897	177,015	No	June 27, 2027
American Federation of Musicians and Employers' Pension Fund	51-6120204/001	Red	Red	Implemented	88,009	165,584	Yes	July 23, 2023 (for <i>Camelot</i>)
United Scenic Artists Local 829 Pension Fund	13-1982707/101	Green	Green	N/A	31,622	47,934	No	June 30, 2028
League-ATPAM Pension Fund (Managers and Press Agents)	13-2928856/001	Green	Green	N/A	50,149	47,874	No	September 3, 2028
Treasurers and Ticket Sellers Local 751 Pension Fund	13-6164776/001	Green	Green	N/A	50,793	53,206	No	currently in negotiation
Pension Fund of Wardrobe Local 764 IATSE	13-6137855/001	Green	Green	N/A	33,131	49,405	No	July 26, 2026
All other multiemployer plans - total of five other plans					<u>51,825</u>	<u>50,450</u>	No	
					<u>\$791,332</u>	<u>\$995,874</u>		

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

Note 13 - Fundraising Benefits

The following reflects the activity from the fundraising events held during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Gross revenue	\$2,502,627	\$2,457,179
Less: Direct costs	(274,798)	(209,600)
Indirect costs	<u>(119,530)</u>	<u>(142,112)</u>
Net	<u>\$2,108,299</u>	<u>\$2,105,467</u>

Direct costs of fundraising benefits reflect the actual expenses incurred for the goods and services (such as food and entertainment) which the donor received. Indirect costs are other costs of the benefit in addition to those directly benefiting the donor.