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

FINANCIAL STATEMENTS

JUNE 30, 2023

LUTZ AND CARR
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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, 2023, 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, 2022, 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.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Report on Summarized Comparative Information

We have previously audited The Vivian Beaumont Theater, Inc.'s (d/b/a Lincoln Center Theater) 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 27, 2023

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023					2022
	Without Donor Restrictions			With Donor Restrictions		
	Operating	Board-Designated	Total		Total	Total
Assets						
Current Assets						
Cash and cash equivalents (Notes 1c and 5)	$ 619,624	$ -	$ 619,624	$ 5,713,866	$ 6,333,490	$ 4,841,716
Investment redemption receivable	117,803	-	117,803	-	117,803	-
Contributions receivable (Notes 1d and 7)	350,663	-	350,663	1,900,000	2,250,663	2,224,914
Accounts receivable	459,956	-	459,956	-	459,956	645,813
Prepaid production costs and other current assets	1,172,653	-	1,172,653	-	1,172,653	756,812
Restricted certificates of deposit (Note 5)	496,821	-	496,821	-	496,821	495,582
Total Current Assets	3,217,520	-	3,217,520	7,613,866	10,831,386	8,964,837
Non-Current Assets						
Contributions receivable (Notes 1d and 7)	-	-	-	4,092,409	4,092,409	4,712,987
Property and equipment, at cost, net of accumulated depreciation (Notes 1h and 8)	25,999,582	-	25,999,582	-	25,999,582	27,939,184
Investments in theatrical limited partnerships	-	-	-	-	-	219,102
Investments (Notes 1e, 1f, 4 and 6)	7,620	27,249,562	27,257,182	93,986,899	121,244,081	125,600,792
Total Assets	$29,224,722	$27,249,562	$56,474,284	$105,693,174	$162,167,458	$167,436,902

See notes to financial statements.

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023					2022
	Without Donor Restrictions			With Donor Restrictions		
	Operating	Board-Designated	Total		Total	Total
Liabilities and Net Assets						
Current Liabilities						
Accounts payable and accrued expenses	$ 2,880,410	$ -	$ 2,880,410	$ -	$ 2,880,410	$ 2,333,607
Advance box office sales	1,346,954	-	1,346,954	-	1,346,954	151,791
Deferred membership fees (Notes 1i and 9)	522,205	-	522,205	-	522,205	420,721
Total Current Liabilities	4,749,569	-	4,749,569	-	4,749,569	2,906,119
Commitments and Contingencies (Notes 6, 10, 11 and 12)						
Net Assets (Deficit)						
Without Donor Restrictions (Note 3a)						
Operating	(1,524,429)	-	(1,524,429)	-	(1,524,429)	2,858,159
Property and equipment	25,999,582	-	25,999,582	-	25,999,582	27,939,184
Reserves and quasi-endowments	-	27,249,562	27,249,562	-	27,249,562	31,630,471
Total Without Donor Restrictions	24,475,153	27,249,562	51,724,715	-	51,724,715	62,427,814
With Donor Restrictions (Note 3b)	-	-	-	105,693,174	105,693,174	102,102,969
Total Net Assets	24,475,153	27,249,562	51,724,715	105,693,174	157,417,889	164,530,783
Total Liabilities and Net Assets	$29,224,722	$27,249,562	$56,474,284	$105,693,174	$162,167,458	$167,436,902

See notes to financial statements.

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023							2022
	Without Donor Restrictions							
	Operating		Property	Reserves		With		
	Regular	Extended	and	and Quasi-		Donor		
	Program	Program	Equipment	Endowments	Total	Restrictions	Total	Total
Changes in Net Assets								
Revenue, Gains and Public Support								
Box office revenue and admission fees	$14,751,151	$501,216	$ -	$ -	$15,252,367	$ -	$ 15,252,367	$ 4,756,441
Membership fees (Note 9)	1,009,441	-	-	-	1,009,441	-	1,009,441	1,266,594
Theater rental fees and surcharges	729,637	-	-	-	729,637	-	729,637	2,000
Share of Lincoln Center garage revenue and city funding for public areas (Note 11)	247,344	-	-	-	247,344	-	247,344	231,334
Royalties	200,096	127,085	-	-	327,181	-	327,181	140,245
Television and recording income	14,193	21,833	-	-	36,026	-	36,026	47,687
Merchandise and concession income	235,522	-	-	-	235,522	-	235,522	12,984
Miscellaneous revenue	125,756	-	-	-	125,756	-	125,756	72,426
Total from Earned Revenue	17,313,140	650,134	-	-	17,963,274	-	17,963,274	6,529,711
Net investment income (loss) (Note 6)	577,482	-	-	3,388,177	3,965,659	9,345,686	13,311,345	(18,454,553)
Appropriations of endowment funds pursuant to spending policy	5,138,705	-	-	(977,653)	4,161,052	(4,161,052)	-	-
Total from Investments	5,716,187	-	-	2,410,524	8,126,711	5,184,634	13,311,345	(18,454,553)
Contributions	6,916,740	-	-	50	6,916,790	1,719,421	8,636,211	15,094,222
Gross revenue from fundraising benefits (Note 13)	2,457,179	-	-	-	2,457,179	-	2,457,179	2,041,089
Less: Direct costs of fundraising benefits	(209,600)	-	-	-	(209,600)	-	(209,600)	(96,380)
Federal Shuttered Venue Operators Grant (Note 14)	-	-	-	-	-	-	-	8,451,774
Federal Paycheck Protection Program loan forgiveness (Note 15)	-	-	-	-	-	-	-	4,381,012
Gersten Fund contributions designated by Board for current year (Note 3a)	250,000	-	-	(250,000)	-	-	-	-
Larsen Fund contributions designated by Board for current year (Note 3a)	250,000	-	-	(250,000)	-	-	-	-
Net assets released from restrictions - satisfaction of time and use restrictions	3,248,850	-	65,000	-	3,313,850	(3,313,850)	-	-
Total from Public Support	12,913,169	-	65,000	(499,950)	12,478,219	(1,594,429)	10,883,790	29,871,717
Total Revenue, Gains and Public Support	35,942,496	650,134	65,000	1,910,574	38,568,204	3,590,205	42,158,409	17,946,875
Transfer for acquisition of property and equipment	(206,574)	-	206,574	-	-	-	-	-
Total Revenue, Gains and Public Support (carried forward)	35,735,922	650,134	271,574	1,910,574	38,568,204	3,590,205	42,158,409	17,946,875

See notes to financial statements.

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023							2022
	Without Donor Restrictions							
	Operating					With		
	Regular Program	Extended Program	Property and Equipment	Reserves and Quasi-Endowments	Total	Donor Restrictions	Total	Total
Changes in Net Assets (continued)								
Total Revenue, Gains and Public Support (brought forward)	$35,735,922	$650,134	$ 271,574	$ 1,910,574	$38,568,204	$ 3,590,205	$ 42,158,409	$ 17,946,875
Expenses								
Program Services								
Theatrical productions - direct costs	25,435,226	900,335	-	-	26,335,561	-	26,335,561	25,241,517
Theatrical productions - artistic staff and facilities	10,024,003	-	2,145,089 *	-	12,169,092	-	12,169,092	11,270,242
Marketing, education and outreach	1,898,022	-	-	-	1,898,022	-	1,898,022	1,651,103
Special artistic projects	531,092	-	-	-	531,092	-	531,092	410,895
Total Program Services	37,888,343	900,335	2,145,089	-	40,933,767	-	40,933,767	38,573,757
Supporting Services								
Management and general	5,874,725	-	66,087 *	-	5,940,812	-	5,940,812	5,242,499
Fundraising	2,396,724	-	-	-	2,396,724	-	2,396,724	1,989,828
Total Supporting Services	8,271,449	-	66,087	-	8,337,536	-	8,337,536	7,232,327
Total Expenses	46,159,792	900,335	2,211,176 *	-	49,271,303	-	49,271,303	45,806,084
Increase (Decrease) in Net Assets	(10,423,870)	(250,201)	(1,939,602)	1,910,574	(10,703,099)	3,590,205	(7,112,894)	(27,859,209)
Net increase from operations of regular and extended programs combined	(10,674,071)							
Board-designated transfer from operating reserve (Note 3a)	5,000,000		-	(5,000,000)	-	-	-	-
Transfer of investment return of operating and production reserves	1,291,483		-	(1,291,483)	-	-	-	-
Net assets, beginning of year	2,858,159		27,939,184	31,630,471	62,427,814	102,102,969	164,530,783	192,389,992
Net Assets (Deficit), End of Year	$(1,524,429)		$25,999,582	$27,249,562	$51,724,715	$105,693,174	$157,417,889	$164,530,783

* 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, 2023 WITH COMPARATIVE TOTALS FOR 2022

	Program Services						Supporting Services			2023	2022
	Theatrical Productions - Direct Costs										
	Regular Program	Extended Program	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
Salaries	$ 8,578,546	$399,643	$ 2,897,999	$ 798,906	$ 61,427	$12,736,521	$ 3,124,799	$ 1,199,579	$ 4,324,378	$17,060,899	$14,653,134
Employee benefits and payroll taxes	4,171,575	131,840	1,056,991	330,009	29,874	5,720,289	1,136,059	430,320	1,566,379	7,286,668	6,312,833
Total Salaries, Employee Benefits and Payroll Taxes	12,750,121	531,483	3,954,990	1,128,915	91,301	18,456,810	4,260,858	1,629,899	5,890,757	24,347,567	20,965,967
Physical production (scenery, costumes, etc.)	3,202,691	-	-	-	503	3,203,194	-	-	-	3,203,194	4,063,176
Production take-in and take-out	2,044,762	-	-	-	-	2,044,762	-	-	-	2,044,762	3,128,384
Artists' fees	821,200	-	-	-	124,580	945,780	-	-	-	945,780	1,166,951
Royalties	701,475	33,003	-	-	-	734,478	-	-	-	734,478	252,018
Advertising	3,995,739	80,343	-	47,471	-	4,123,553	-	5,700	5,700	4,129,253	3,680,912
Theatrical equipment rentals	836,221	40,525	-	-	-	876,746	-	-	-	876,746	772,835
Theatrical departmental expenses	328,182	7,115	-	-	2,306	337,603	-	-	-	337,603	450,007
Miscellaneous theatrical expenses	754,835	3,543	-	-	19,293	777,671	-	-	-	777,671	814,148
Publications, recordings, seminars and special projects	-	204,323	-	631,227	293,109	1,128,659	-	4,065	4,065	1,132,724	648,396
Utilities	-	-	838,889	-	-	838,889	-	-	-	838,889	623,667
Lincoln Center shared costs	-	-	1,029,967	-	-	1,029,967	-	-	-	1,029,967	967,012
Building security	-	-	519,246	-	-	519,246	-	-	-	519,246	334,959
Building maintenance	-	-	2,785,950	-	-	2,785,950	-	-	-	2,785,950	2,484,714
Insurance	-	-	485,034	-	-	485,034	84,770	-	84,770	569,804	505,931
Professional fees and consulting	-	-	-	3,197	-	3,197	405,822	35,000	440,822	444,019	455,980
COVID safety and risk management	-	-	366,037	-	-	366,037	266,230	-	266,230	632,267	1,209,753
Membership services	-	-	-	79,495	-	79,495	-	-	-	79,495	19,646
Interest expense, taxes and bank charges	-	-	-	-	-	-	22,746	-	22,746	22,746	16,379
Fundraising event expenses (including indirect benefit costs, Note 13)	-	-	-	-	-	-	-	600,953	600,953	600,953	245,456
Office services and expenses	-	-	-	7,641	-	7,641	352,254	99,923	452,177	459,818	222,205
Telecommunications	-	-	-	-	-	-	41,382	-	41,382	41,382	54,487
Meetings, travel and entertainment	-	-	-	76	-	76	64,240	5,922	70,162	70,238	49,781
Postage, dues, supplies and materials	-	-	-	-	-	-	122,076	15,262	137,338	137,338	105,381
Office equipment rental and maintenance	-	-	-	-	-	-	252,650	-	252,650	252,650	135,757
Licenses, permits, etc.	-	-	-	-	-	-	1,697	-	1,697	1,697	10,974
Storage and warehouse	-	-	43,890	-	-	43,890	-	-	-	43,890	25,985
Total expenses before depreciation	25,435,226	900,335	10,024,003	1,898,022	531,092	38,788,678	5,874,725	2,396,724	8,271,449	47,060,127	43,410,861
Depreciation	-	-	2,145,089	-	-	2,145,089	66,087	-	66,087	2,211,176	2,395,223
Total Expenses, 2023	$25,435,226	$900,335	$ 12,169,092	$ 1,898,022	$ 531,092	$40,933,767	$ 5,940,812	$ 2,396,724	$ 8,337,536	$49,271,303	
Total Expenses, 2022	$25,241,517	$ -	$ 11,270,242	$ 1,651,103	$ 410,895	$38,573,757	$ 5,242,499	$ 1,989,828	$ 7,232,327		$45,806,084

See notes to financial statements.

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023	2022
Cash Flows From Operating Activities		
Decrease in net assets	$ (7,112,894)	$(27,859,209)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	2,211,176	2,395,223
Net realized and unrealized (gain) loss on investments	(12,845,095)	18,477,735
Realized loss on theatrical limited partnerships	250,000	400,000
Loan forgiveness - Paycheck Protection Program	-	(4,381,012)
Endowment contributions	(250,000)	(500,000)
(Increase) decrease in:		
Contributions receivable	344,829	(5,540,324)
Accounts receivable	185,857	(81,192)
Prepaid production costs and other current assets	(415,841)	2,586,649
Increase (decrease) in:		
Accounts payable and accrued expenses	546,803	1,606,835
Advance box office sales	1,195,163	151,791
Deferred membership fees	101,484	(707,982)
Net Cash Used By Operating Activities	(15,788,518)	(13,451,486)
Cash Flows From Investing Activities		
Purchase of restricted certificate of deposit	(1,239)	(1,235)
Purchase of property and equipment	(271,574)	(83,187)
Investments in theatrical limited partnerships	(250,000)	(459,805)
Returns from investments in theatrical limited partnerships	219,102	51,562
Sale of investments	21,262,156	6,295,615
Purchase of investments	(4,178,153)	(3,039,108)
Net Cash Provided By Investing Activities	16,780,292	2,763,842
Cash Flows From Financing Activities		
Endowment contributions received	500,000	250,000
Repayment of Paycheck Protection Program loan	-	(873,114)
Net Cash Provided (Used) By Financing Activities	500,000	(623,114)
Net increase (decrease) in cash and cash equivalents	1,491,774	(11,310,758)
Cash and cash equivalents, beginning of year	4,841,716	16,152,474
Cash and Cash Equivalents, End of Year	$ 6,333,490	$ 4,841,716

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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 2023 regular program consisted of a series of theatrical productions at the Vivian Beaumont Theater and Mitzi E. Newhouse Theaters 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 2022 regular program consisted of a series of outdoor events ("Restart Stages") in the summer of 2021, followed by the resumption of theatrical productions at the Vivian Beaumont Theater and Mitzi E. Newhouse Theaters at Lincoln Center (*Flying Over Sunset, Intimate Apparel, The Skin of Our Teeth,* and *Epiphany*) and the LCT3 program at the Claire Tow Theater at Lincoln Center (*At the Wedding)*.

The Theater sponsors various special artistic projects such as the Playwrights Program, commissions for new plays and operas, and the *Lincoln Center Theater Review.*

2 - Extended Program

The 2023 extended program consisted of the cast recording and the first week of the four-week extended run of *Camelot* at the Vivian Beaumont Theater. There was no extended program in fiscal year 2022.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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.

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 - 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.

f - 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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

f - Fair Value Measurements (continued)
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.

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

h - 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.

i - 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.

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

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 - 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.

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

m - 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.

n - Subsequent Events
The Theater has evaluated subsequent events through October 27, 2023, the date that the financial statements are considered available to be issued.

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 VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2 - Information Regarding Liquidity and Availability (continued)

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, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	2023	2022
Financial Assets at Year End:		
Cash and cash equivalents	$ 6,333,490	$ 4,841,716
Investment redemption receivable	117,803	-
Contributions receivable	6,343,072	6,937,901
Accounts receivable	459,956	645,813
Restricted certificates of deposit	496,821	495,582
Investments	121,244,081	125,819,894
Total Financial Assets	134,995,223	138,740,906
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	(13,044,624)	(14,748,314)
Plus: Net assets with donor restrictions expected to be met in less than one year	4,025,942	4,546,022
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(92,648,550)	(87,354,655)
Plus: Amounts appropriated for use within one year	4,385,230	4,284,546
Net assets restricted by Board, subject to spending policy and appropriation	(27,249,562)	(31,630,471)
Plus: Amounts appropriated for use within one year	1,001,419	977,654
Restricted certificates of deposit	(496,821)	(495,582)
Financial Assets Available to Meet General Expenditures within One Year	$ 10,968,257	$ 14,320,106

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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 $20,684,000 (less the 2023 appropriation of approximately $1,001,000 included above) and operating and production reserves of approximately $6,565,000. 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:

	2023	2022
Operating (deficit)	$ (1,524,429)	$ 2,858,159
Property and equipment	25,999,582	27,939,184
Reserves and Quasi-Endowments:		
Board-designated operating reserve	5,000,000	10,000,000
Bernard Gersten LCT Productions Fund	855,217	1,105,167
Larsen LCT Productions Fund	710,000	960,000
Board-designated quasi-endowment	19,309,043	18,264,407
Doris Duke Charitable Foundation quasi-endowment	1,375,302	1,300,897
	$51,724,715	$62,427,814

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, 2023, by vote of the Board of Directors, $5,000,000 was transferred to the unrestricted operating fund.

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023, $250,000 was expended from this fund, for the production of *Camelot.*

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, 2023, $250,000 was expended from this fund, for the production of *Camelot.*

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, 2023 and 2022. Appropriations are made from the quasi-endowment to operations according to the spending policy applicable to endowment funds.

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.

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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:

	2023	2022
Subject to expenditure for specific purpose:		
Theatrical productions	$ 6,892,155	$ 8,937,987
Playwrights and other commissions	660,384	705,915
Literary activities	2,900,000	3,250,000
Capital projects	1,102,146	1,167,146
Other programs	299,189	317,266
	11,853,874	14,378,314
Subject to passage of time:		
Future periods	1,190,750	370,000
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount:		
Lila Acheson & DeWitt Wallace Endowment	31,113,152	26,977,811
Doris Duke Charitable Foundation Endowment	1,384,263	1,157,857
Other endowments	3,293,930	2,611,782
	35,791,345	30,747,450
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	8,732,209	8,482,209
	56,857,205	56,607,205
Total Endowments	92,648,550	87,354,655
Total Net Assets With Donor Restrictions	$105,693,174	$102,102,969

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.

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.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023 and 2022:

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

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 4 - Endowment Funds (continued)

	2022			
		With Donor Restrictions		
	Without Donor Restrictions	Investment Income Above Original Amount	Investment in Perpetuity	Total
Donor-restricted endowment funds	$ -	$30,747,450	$56,357,205	$ 87,104,655
Board-designated endowment funds	19,565,304	-	-	19,565,304
Total Endowment Funds	$19,565,304	$30,747,450	$56,357,205	$106,669,959

The fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the original endowment gift. Deficiencies of this nature totaling $258,160 with respect to four of the Theater’s endowment funds with original gift values totaling $2,025,000, are reported as part of net assets with donor restrictions at June 30, 2022.

Changes in the fair value of the cash and investments of the Theater's endowment funds for the years ended June 30, 2023 and 2022 are summarized as follows:

	2023			
		With Donor Restrictions		
	Without Donor Restrictions	Investment Income Above Original Amount	Investment in Perpetuity	Total
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	$20,684,345	$35,791,345	$56,857,205	$113,332,895

	2022			
		With Donor Restrictions		
	Without Donor Restrictions	Investment Income Above Original Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$23,394,600	$47,698,134	$56,107,205	$127,199,939
Investment return (loss)	(2,869,139)	(12,727,894)	-	(15,597,033)
Appropriation of endowment assets for expenditure	(960,157)	(4,222,790)	-	(5,182,947)
Contributions	-	-	250,000	250,000
Endowment Funds, End of Year	$19,565,304	$30,747,450	$56,357,205	$106,669,959

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 4 - <u>Endowment Funds</u> (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, 2023 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.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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. 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 subject to spending policy and appropriation rather than for investment in perpetuity.

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

Restricted certificates of deposit ($496,821 at June 30, 2023) are pledged as collateral for a salary bond under a security agreement with Actors' Equity Association. This amount was $495,582 at June 30, 2022.

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

	2023	2022
Bank accounts	$4,280,165	$2,836,265
Money market funds	2,053,325	2,005,451
	$6,333,490	$4,841,716

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, 2023, 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.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 6 - Investments

The following summarizes the Theater's investments at June 30, 2023 and 2022:

	2023			2022		
	Cost	Fair Value	Level 1	Cost	Fair Value	Level 1
Cash equivalents	$ 1,866,081	$ 1,866,081	$1,866,081	$ 2,844	$ 2,844	$ 2,844
Marketable debt and equity securities	128,019	129,263	129,263	122,571	129,855	129,855
Mutual fund - intermediate-term Treasury	3,606,763	3,319,595	3,319,595	3,531,933	3,383,681	3,383,681
Mutual fund - short-term Treasury	6,454	6,242	6,242	6,249	6,306	6,306
Total Assets in Fair Value Hierarchy	5,607,317	5,321,181	5,321,181	3,663,597	3,522,686	3,522,686
Alternative Investments						
Investment fund - U.S. equities	36,784,398	49,477,838		54,831,139	50,295,897	
Investment funds - non-U.S. equities	18,784,949	27,147,648		20,358,636	27,366,081	
Investment fund - bank loans	3,500,000	3,260,477		3,500,000	3,200,857	
Hedge funds	25,541,593	33,063,757		32,506,820	38,816,726	
Private equity funds	617,622	587,908		801,668	817,789	
Private equity - distressed opportunities	-	327,476		-	616,296	
Private equity - credit opportunities	2,012,198	2,057,796		907,820	964,460	
Total Investments Measured at Net Asset Value	87,240,760	115,922,900		112,906,083	122,078,106	
Total Investments	$92,848,077	$121,244,081	$5,321,181	$116,569,680	$125,600,792	$3,522,686

Net investment income (loss) consists of:

	2023					
	Without Donor Restrictions					
	Operating	Operating and Production Reserves	Quasi-Endowment	Total	With Donor Restrictions	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	1,033,797	1,860,765	3,020,913	5,915,475	13,449,417	19,364,892
Total Net Investment Income	$ 577,482	$1,291,483	$2,096,694	$3,965,659	$9,345,686	$13,311,345

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 6 - Investments (continued)

	2022					
	Without Donor Restrictions					
	Operating	Operating and Production Reserves	Quasi-Endowment	Total	With Donor Restrictions	Total
Interest and dividends	$ 68,354	$ 101,642	$ 189,248	$ 359,244	$ 846,640	$ 1,205,884
Realized gain on sale of investments, net of fees and expenses of $782,702	147,907	949,363	1,767,601	2,864,871	7,846,785	10,711,656
Unrealized loss on investments	(1,532,789)	(2,591,997)	(4,825,988)	(8,950,774)	(21,421,319)	(30,372,093)
Total Net Investment Loss	$(1,316,528)	$(1,540,992)	$(2,869,139)	$(5,726,659)	$(12,727,894)	$(18,454,553)

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, 2023, the Theater had made investments totaling approximately $16,400,000 leaving an outstanding commitment of approximately $5,100,000.

At June 30, 2023, concentrations of the Theater's investments in excess of 10% of the fair value of its portfolio included approximately 67% invested in three 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:

	2023	2022
Hedge Funds and Investment Funds:		
Daily redemption with ten days' notice	$ 1,897,182	$ 1,714,698
Monthly redemption with two-week notice	17,718,512	18,309,081
Monthly redemption with thirty days' notice	7,014,027	6,855,809
Quarterly redemption with sixty days' notice	53,256,242	59,207,510
Quarterly redemption with sixty-five days' notice	5,142,894	5,940,899
Quarterly redemption with ninety-five days' notice and initial three-year lockup	4,777,192	4,716,475
Semi-annual redemption with sixty days' notice	13,492,428	12,857,132
Annual redemption with ninety-five days' notice	9,651,239	10,077,957
	112,949,716	119,679,561
Private Equity Funds:		
No opportunity for redemption; distributions made only at fund's discretion	2,973,184	2,398,545
	$115,922,900	$122,078,106

THE VIVIAN BEAUMONT THEATER, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 6 - 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
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
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.

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.
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Note 7 - Contributions Receivable

Contributions receivable are due as follows as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Year Ending June 30,			
2024	$350,663	$1,900,000	$2,250,663
2025	-	1,550,000	1,550,000
2026	-	1,500,000	1,500,000
2027	-	250,000	250,000
2028	-	250,000	250,000
Thereafter	-	750,000	750,000
	350,663	6,200,000	6,550,663
Less: Discount to present value	-	(207,591)	(207,591)
	$350,663	$5,992,409	$6,343,072

Uncollectible contributions receivable are expected to be insignificant. Contributions receivable which are due after one year are discounted to net present value using a discount rate of 1.5% per annum.

Note 8 - Property and Equipment

Property and equipment consist of the following at June 30:

	Life	2023	2022
Leasehold improvements	10-25 years	$68,864,011	$68,762,813
Furniture, fixtures and equipment	5-15 years	3,869,934	3,699,558
		72,733,945	72,462,371
Less: Accumulated depreciation		(46,734,363)	(44,523,187)
		$25,999,582	$27,939,184

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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, 2023, $1,009,441 in membership fees were recognized as income. At June 30, 2023, $522,205 in unamortized fees remained deferred. For the year ended and as of June 30, 2022, these amounts were $1,266,594 and $420,721, respectively.

Note 10 - Commitments and Contingency

a - Certain management compensation is guaranteed by contract. As of June 30, 2023, the following remains to be paid:

Year Ending June 30,	
2024	$895,482
2025	922,346

b - During the year ended June 30, 2023, approximately 60% of total employee compensation was paid under collective bargaining agreements.

c - Through the fiscal year ending June 30, 2023, The City of New York (“The City”) has spent $68,928 relating to the ADA Renovations and Alarm System Project. The City’s investment of capital funding obligated the Theater to operate the facility for the respective bonding term as a non-profit entity, open to and used and maintained for the benefit of the people of The City of New York for cultural, educational, or artistic uses and/or related purposes approved by the City.

d - 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 (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 $1,029,966 (2023) and $967,012 (2022).

Note 11 - <u>Lincoln Center for the Performing Arts, Inc.</u> (continued)

The Theater also shares in Lincoln Center's Corporate Fund ($302,367 in 2023) and receives a portion of underground garage revenue ($200,749) and New York City funding ($46,595) in exchange for its sharing in the maintenance of the Lincoln Center public areas. These amounts were $252,979, $184,739 and $46,595 in 2022, 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 - <u>Pension and Other Benefit Plans</u>

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 $684,877 and $284,000 to fund pension obligations in the years ended June 30, 2023 and 2022, respectively.

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 $43,536 and $25,354 during the years ended June 30, 2023 and 2022, respectively.

Subsequent to June 30, 2023, 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.

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.

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Note 12 - Pension and Other Benefit Plans (continued)

b - (continued)

- 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 2023 and 2022 is for the plan's year-end at December 31, 2022 and December 31, 2021 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 2023	Pension Protection Act Zone Status 2022	FIP/RP Status Pending/ Implemented	Contributions of the Theater 2023	Contributions of the Theater 2022	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Pension Fund of Local No. One, IATSE (Stage Employees)	13-6414973/001	Green	Green	N/A	$404,406	$334,978	No	June 30, 2024
Equity-League Pension Trust Fund (Actors and Stage Managers)	13-6696817/001	Green	Green	N/A	177,015	164,536	No	June 27, 2027
American Federation of Musicians and Employers' Pension Fund	51-6120204/001	Red	Red	Implemented	165,584	52,065	Yes	July 23, 2023
United Scenic Aritsts Local 829 Pension Fund	13-1982707/101	Green	Green	N/A	47,934	34,565	No	June 30, 2023
League-ATPAM Pension Fund (Managers and Press Agents)	13-2928856/001	Green	Green	N/A	47,874	46,070	No	September 10, 2023
Treasurers and Ticket Sellers Local 751 Pension Fund	13-6164776/001	Green	Green	N/A	53,206	38,829	No	August 30, 2023
All other multiemployer plans - total of five other plans					99,855	63,795		
					$995,874	$734,838		

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Note 12 - Pension and Other Benefit Plans (continued)

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:

	2023	2022
Gross revenue	$2,457,179	$2,041,089
Less: Direct costs	(209,600)	(96,380)
Indirect costs	(142,112)	(70,857)
Net	$2,105,467	$1,873,852

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 benefitting the donor.

Note 14 - Shuttered Venue Operators Grant

In July 2021, the Theater was awarded a grant totaling $8,451,774 by the U.S. Small Business Administration through the Shuttered Venue Operators Grant program. The grant covered allowable expenses, including payroll costs and other ordinary and necessary business expenses incurred by the Theater during the period October 2020 through June 2022.

Note 15 - Loan Forgiveness - Paycheck Protection Program

The Theater applied for and received a loan of $3,705,900 from the federal Paycheck Protection Program, of which $2,832,786 was forgiven in August 2021, and a second-draw loan of $1,548,226, which was forgiven in full in May 2022. Accordingly, a total of $4,381,012 was recognized as revenue during the year ended June 30, 2022.