




Theatre Development Fund, Inc.

Independent Auditor's Report and Financial Statements

June 30, 2025 and 2024



Theatre Development Fund, Inc.
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June 30, 2025 and 2024

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Independent Auditor's Report

Board of Trustees
Theatre Development Fund, Inc.
New York, New York

Opinion

We have audited the financial statements of Theatre Development Fund, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Theatre Development Fund, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Theatre Development Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Theatre Development Fund, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Theatre Development Fund, Inc.'s 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 Theatre Development Fund, Inc.'s 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.

Forvis Mazars, LLP

**New York, New York
September 29, 2025**

Theatre Development Fund, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 2,726,270	\$ 1,670,047
Accounts receivable	116,370	108,568
Contributions receivable	661,203	381,068
Employee retention credit receivable	-	116,556
Investments	9,429,809	8,864,088
Prepaid expenses and other assets	443,765	396,516
Property and equipment, net	1,097,255	962,013
Right-of-use assets - operating leases	2,912,317	3,661,080
Total Assets	\$ 17,386,989	\$ 16,159,936
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,776,507	\$ 961,761
Due to theatres	955,420	934,153
Deferred revenues	227,124	149,586
Gift and credit redemptions outstanding	1,570,631	1,327,976
Accrued pension liability	-	390,335
Operating lease liabilities	3,489,985	4,333,251
Total Liabilities	8,019,667	8,097,062
Net Assets		
Without donor restrictions	7,729,745	6,977,322
With donor restrictions	1,637,577	1,085,552
Total Net Assets	9,367,322	8,062,874
Total Liabilities and Net Assets	\$ 17,386,989	\$ 16,159,936

Theatre Development Fund, Inc.
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
TKTS service and handling charges	\$ 4,572,410	\$ -	\$ 4,572,410
Ticket distribution service and handling charges	4,158,790	-	4,158,790
Memberships	4,285,600	-	4,285,600
Costume collection rental income	955,358	-	955,358
Grants and contributions	3,476,340	1,000,830	4,477,170
Net investment return	932,456	12,931	945,387
Other income	718,207	-	718,207
Special event, net of direct expenses of \$108,455	303,513	-	303,513
Net assets released from restrictions	461,736	(461,736)	-
Total Revenues, Gains, and Other Support	19,864,410	552,025	20,416,435
Expenses			
Program Services			
TKTS by TDF	4,388,592	-	4,388,592
TDF Membership Program	2,684,448	-	2,684,448
TDF Schools and Community Engagement	2,119,564	-	2,119,564
TDF Accessibility Programs	1,877,526	-	1,877,526
Costume Collection	1,835,754	-	1,835,754
Digital Strategy and Journalism	1,078,159	-	1,078,159
Outreach and Public Relations	903,645	-	903,645
Audience Research	126,502	-	126,502
Total Program Services	15,014,190	-	15,014,190
Administration	2,916,872	-	2,916,872
Fundraising	1,571,280	-	1,571,280
Total Supporting Services	4,488,152	-	4,488,152
Total Expenses	19,502,342	-	19,502,342
Change in Net Assets from Operations	362,068	552,025	914,093
Nonoperating Activity			
Pension-related changes other than periodic pension cost	390,355	-	390,355
Change in Net Assets	752,423	552,025	1,304,448
Net Assets, Beginning of Year	6,977,322	1,085,552	8,062,874
Net Assets, End of Year	\$ 7,729,745	\$ 1,637,577	\$ 9,367,322

Theatre Development Fund, Inc.
Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
TKTS service and handling charges	\$ 4,444,676	\$ -	\$ 4,444,676
Ticket distribution service and handling charges	3,535,702	-	3,535,702
Memberships	4,002,702	-	4,002,702
Costume collection rental income	799,334	-	799,334
Grants and contributions	2,488,143	253,125	2,741,268
Net investment return	945,956	24,849	970,805
Other income	781,129	-	781,129
Special event, net of direct expenses of \$151,092	179,553	-	179,553
Net assets released from restrictions	583,300	(583,300)	-
Total Revenues, Gains, and Other Support	17,760,495	(305,326)	17,455,169
Expenses			
Program Services			
TKTS by TDF	4,025,271	-	4,025,271
TDF Membership Program	2,602,016	-	2,602,016
TDF Schools and Community Engagement	1,834,717	-	1,834,717
TDF Accessibility Programs	1,777,402	-	1,777,402
Costume Collection	1,497,073	-	1,497,073
Digital Strategy and Journalism	948,541	-	948,541
Outreach and Public Relations	774,637	-	774,637
Audience Research	114,472	-	114,472
Total Program Services	13,574,129	-	13,574,129
Administration	2,504,030	-	2,504,030
Fundraising	1,377,106	-	1,377,106
Total Supporting Services	3,881,136	-	3,881,136
Total Expenses	17,455,265	-	17,455,265
Change in Net Assets from Operations	305,230	(305,326)	(96)
Nonoperating Activity			
Pension-related changes other than periodic pension cost	83,540	-	83,540
Change in Net Assets	388,770	(305,326)	83,444
Net Assets, Beginning of Year	6,588,552	1,390,878	7,979,430
Net Assets, End of Year	\$ 6,977,322	\$ 1,085,552	\$ 8,062,874

Theatre Development Fund, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services									Supporting Services				
	TKTS by TDF	TDF Membership Program	TDF Schools and Community Engagement Programs	TDF Accessibility Programs	Costume Collection	Outreach and Public Relations	Digital Strategy and Journalism	Audience Research	Total	Administration	Special Events	Fundraising	Total	Total
Salaries	\$ 2,684,278	\$ 921,247	\$ 862,731	\$ 405,103	\$ 560,762	\$ 423,619	\$ 357,752	\$ 81,826	\$ 6,297,318	\$ 1,030,013	\$ -	\$ 756,588	\$ 1,786,601	\$ 8,083,919
Payroll taxes and employee benefits	1,073,670	318,029	183,250	153,464	243,595	134,632	150,322	24,900	2,281,862	383,152	-	243,962	627,114	2,908,976
	3,757,948	1,239,276	1,045,981	558,567	804,357	558,251	508,074	106,726	8,579,180	1,413,165	-	1,000,550	2,413,715	10,992,895
Security and professional fees	70,618	26,334	26,921	127,592	41,341	55,619	30,202	1,624	380,251	548,670	-	218,515	767,185	1,147,436
Advertising, marketing, and travel	1,733	804	8,260	9,062	10,064	395,579	108,868	13	534,383	10,715	-	14,555	25,270	559,653
Office expenses and occupancy	263,926	287,730	117,170	119,943	468,360	21,510	53,799	11,151	1,343,589	403,450	-	53,900	457,350	1,800,939
Equipment rental, maintenance, and technology	55,552	95,711	13,618	27,415	30,947	3,359	168,684	5,720	401,006	88,369	-	21,202	109,571	510,577
Printing, publications, postage, and shipping	-	59,793	3,286	5,973	45,349	5,991	1,111	222	121,725	8,130	-	57,735	65,865	187,590
Insurance	37,620	19,929	4,587	6,058	49,678	1,096	3,749	980	123,697	27,851	-	3,461	31,312	155,009
Ticket purchases	-	167	797,374	850,978	1	436	184	-	1,649,140	107	-	1	108	1,649,248
Costume cleaning and related expenses	-	-	-	-	202,975	-	-	-	202,975	-	-	-	-	202,975
Credit card fees	70,860	888,284	-	14,405	51,051	-	-	-	1,024,600	14,353	-	92,296	106,649	1,131,249
Grants	-	-	-	144,500	-	-	-	-	144,500	-	-	-	-	144,500
Special event expense	-	-	-	-	-	-	-	-	-	-	108,455	-	108,455	108,455
Leagues' Special Projects	-	-	-	-	-	-	-	-	-	294,001	-	-	294,001	294,001
Miscellaneous	5,388	41,228	97,155	7,821	79,425	30,237	15,944	66	277,264	99,374	-	94,297	193,671	470,935
Total Expenses Before Depreciation	4,263,645	2,659,256	2,114,352	1,872,314	1,783,548	1,072,078	890,615	126,502	14,782,310	2,908,185	108,455	1,556,512	4,573,152	19,355,462
Depreciation and amortization expense	124,947	25,192	5,212	5,212	52,206	6,081	13,030	-	231,880	8,687	-	14,768	23,455	255,335
Less direct cost of special events deducted directly from revenues on the statements of activities	-	-	-	-	-	-	-	-	-	-	(108,455)	-	(108,455)	(108,455)
Total Expenses	\$ 4,388,592	\$ 2,684,448	\$ 2,119,564	\$ 1,877,526	\$ 1,835,754	\$ 1,078,159	\$ 903,645	\$ 126,502	\$ 15,014,190	\$ 2,916,872	\$ -	\$ 1,571,280	\$ 4,488,152	\$ 19,502,342

See Notes to Financial Statements

Theatre Development Fund, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services									Supporting Services				
	TKTS by TDF	TDF Membership Program	TDF Schools and Community Engagement Programs	TDF Accessibility Programs	Costume Collection	Outreach and Public Relations	Digital Strategy and Journalism	Audience Research	Total	Administration	Special Events	Fundraising	Total	Total
Salaries	\$ 2,323,882	\$ 854,930	\$ 867,147	\$ 422,428	\$ 486,917	\$ 400,913	\$ 444,826	\$ 79,084	\$ 5,880,127	\$ 981,697	\$ -	\$ 740,663	\$ 1,722,360	\$ 7,602,487
Payroll taxes and employee benefits	966,543	296,346	196,756	167,017	190,954	147,233	165,172	14,682	2,144,703	345,399	-	214,646	560,045	2,704,748
	3,290,425	1,151,276	1,063,903	589,445	677,871	548,146	609,998	93,766	8,024,830	1,327,096	-	955,309	2,282,405	10,307,235
Security and professional fees	60,277	24,303	30,839	92,939	4,719	1,845	20,305	1,203	236,430	177,742	-	121,603	299,345	535,775
Advertising, marketing, and travel	10,542	1,195	3,423	10,356	4,980	66,722	18,575	949	116,742	5,578	-	16,360	21,938	138,680
Office expenses and occupancy	257,925	295,209	99,453	116,798	349,680	21,425	54,124	11,334	1,205,948	382,707	-	54,499	437,206	1,643,154
Equipment rental, maintenance, and technology	52,080	109,446	11,385	24,904	30,542	2,841	205,784	5,300	442,282	81,282	-	22,466	103,748	546,030
Printing, publications, postage, and shipping	469	57,936	1,333	4,631	37,493	2,608	750	148	105,368	7,585	-	55,944	63,529	168,897
Insurance	34,221	21,879	4,507	5,955	49,105	1,077	3,404	965	121,113	28,378	-	3,404	31,782	152,895
Ticket purchases	-	-	549,620	751,243	-	90,925	251	-	1,392,039	1,196	-	238	1,434	1,393,473
Subsidy expense	-	149,600	-	-	-	-	-	-	149,600	-	-	-	-	149,600
Costume cleaning and related expenses	-	-	-	-	159,702	-	-	-	159,702	-	-	-	-	159,702
Credit card fees	182,703	712,216	-	23,745	40,932	-	-	-	959,596	18,662	-	61,398	80,060	1,039,656
Grants	-	-	-	135,000	-	-	-	-	135,000	-	-	-	-	135,000
Special event expense	-	-	-	-	-	-	-	-	-	-	151,092	-	-	-
Leagues' Special Projects	-	-	-	-	-	-	-	-	-	288,160	-	-	288,160	288,160
Miscellaneous	12,076	56,049	65,515	17,647	90,237	33,519	23,501	807	299,351	177,743	-	72,457	250,200	549,551
Total Expenses Before Depreciation	3,900,718	2,579,109	1,829,978	1,772,663	1,445,261	769,108	936,692	114,472	13,348,001	2,496,129	151,092	1,363,678	4,010,899	17,358,900
Depreciation and amortization expense	124,553	22,907	4,739	4,739	51,812	5,529	11,849	-	226,128	7,901	-	13,428	21,329	247,457
Less direct cost of special events deducted directly from revenues on the statements of activities	-	-	-	-	-	-	-	-	-	-	(151,092)	-	(151,092)	(151,092)
Total Expenses	\$ 4,025,271	\$ 2,602,016	\$ 1,834,717	\$ 1,777,402	\$ 1,497,073	\$ 774,637	\$ 948,541	\$ 114,472	\$ 13,574,129	\$ 2,504,030	\$ -	\$ 1,377,106	\$ 3,881,136	\$ 17,455,265

Theatre Development Fund, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ 1,304,448	\$ 83,444
Items not requiring (providing) operating cash flows		
Depreciation and amortization	255,335	247,457
Pension other than periodic pension cost	(390,355)	(83,540)
Noncash operating lease expense	794,562	765,206
Bad debt expense	37,054	60,558
Net realized and unrealized gains on investments	(926,073)	(967,246)
Changes in		
Accounts receivable	(44,856)	(41,718)
Contributions receivable	(280,135)	628,902
Other receivables	116,556	685,644
Prepaid expenses and other assets	(47,249)	(226,493)
Accounts payable and accrued expenses	814,766	(114,109)
Due to theatres	21,267	(161,305)
Deferred revenue	77,538	(124,670)
Gift certificate liability	242,655	182,336
Change in operating lease liabilities	(889,065)	(829,130)
Net Cash Provided by Operating Activities	1,086,448	105,336
Investing Activities		
Purchase of property and equipment	(390,577)	(98,164)
Proceeds from sale of investments	8,769,529	3,783,924
Purchases of investments	(8,409,177)	(3,946,692)
Net Cash Used in Investing Activities	(30,225)	(260,932)
Net Change in Cash and Cash Equivalents	1,056,223	(155,596)
Cash and Cash Equivalents, Beginning of Year	1,670,047	1,825,643
Cash and Cash Equivalents, End of Year	\$ 2,726,270	\$ 1,670,047
Supplemental Cash Flows Information		
ROU assets obtained in exchange for new operating lease liabilities	\$ 45,799	\$ -

Note 1. Nature of Entity and Summary of Significant Accounting Policies

Nature of Entity

Theatre Development Fund, Inc. (TDF or the Organization), a not-for-profit organization founded in 1967 to promote the performing arts, is a broadly oriented service and advocacy organization dedicated to bringing the power of the performing arts to everyone. TDF's activities fall into three areas. TDF expands access, making the performing arts accessible to all by removing cultural, physical, and financial barriers. TDF cultivates communities of theatergoers by engaging, educating, and encouraging people to make the performing arts an essential part of their lives. TDF supports theatre makers, sustains creators, and advances the industry through convenings, research, and the TDF Costume Collection. Through its programs, TDF typically brings theatre into the lives of over 2,000,000 people per year, and oversees theatre and dance sales transactions of approximately \$95,000,000 annually. TDF's efforts are primarily focused in New York, but it has also been involved in audience development efforts for the performing arts across the United States and, on a limited basis, internationally.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

TDF considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At June 30, 2025 and 2024, cash equivalents consisted primarily of money market accounts with banks.

During the normal course of business, TDF's cash accounts periodically exceed federally insured limits.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which TDF has an unconditional right to receive. TDF provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. An allowance for credit losses was not considered necessary at June 30, 2025 and 2024.

Investments and Net Investment Return

TDF measures securities at fair value.

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Property and Equipment

Property and equipment acquisitions over \$3,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture, computers, and equipment	3 to 5 years
Leasehold improvements	Life of lease
Website software application costs	3 years

Leases

TDF determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. TDF determines lease classification as operating or finance at the lease commencement date.

TDF combines lease and nonlease components, such as taxes and other maintenance costs, in calculating the ROU assets and lease liabilities for its residential rentals.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. TDF has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that TDF is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

TDF has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Costume Collection

The costume collection is not capitalized in as much as the items are cared for continuously. TDF's collection consists of donated costumes, a significant portion of which was originally acquired from Costume Collection, Inc. and the New York State Council on the Arts, and which also includes costumes that have been acquired through donations from others. TDF maintains such costumes and rents them primarily to not-for-profit organizations throughout the U.S. TDF has a policy to use proceeds from deaccessioned items for direct care of existing collections, which is cleaning, repair, and storage within appropriate conditions. No collection items were sold or removed in 2025 or 2024.

The value of the collection is not reflected as an asset in the statements of financial position. The collection is insured for losses up to a maximum of \$8 million.

Due to Theatres

Due to theatres consists of ticket sale amounts collected by TDF that have not yet been remitted to theatres as of year-end.

Contract Liabilities

Contract liabilities represent TDF's obligation to transfer goods or services to a customer when consideration has already been received from the customer. Contract liabilities are included as deferred revenue on the statements of financial position and are from service and handling charges related to tickets recognized over the periods to which the fees relate.

Gift and Credit Redemptions Outstanding

TDF sells gift certificates for use at TKTS Theatre Centers, gift cards for use through the TDF membership program, and also issues credits to participants of certain programs including students in TDF's Wendy Wasserstein Program. TDF continues to monitor redemptions outstanding, in consideration of all relevant state and local laws.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for an operating reserve.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Ticket Sale Service and Handling Charges and Costume Collection Rental Income

TDF has multiple revenue streams that are accounted for as exchange transactions, including service and handling charges from ticket sales and costume collection rental income. Revenue is recognized as TDF satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount to which TDF expects to be entitled in exchange for providing services. TDF determines the transaction price based on standard charges for services provided, reduced by implicit and explicit price concessions. TDF determines its estimates of implicit and explicit price concessions in alignment with TDF's mission. These concessions are based upon contractual agreements, TDF's discount policies, and historical experience.

TKTS service and handling charges collected for the year ended June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Gross TKTS ticket sales	\$ 61,480,730	\$ 58,013,932
Less amounts paid to theatres and credit card merchants	<u>(56,908,320)</u>	<u>(53,569,256)</u>
Net TKTS service and handling charges	<u><u>\$ 4,572,410</u></u>	<u><u>\$ 4,444,676</u></u>

Theatre Development Fund, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Ticket distribution and handling charges collected for the year ended June 30, 2025 and 2024, are as follows:

	2025	2024
Gross membership ticket sales	\$ 33,809,369	\$ 28,618,345
Less amounts paid to theatres	<u>(29,650,579)</u>	<u>(25,082,643)</u>
Net ticket distribution service and handling charges	<u>\$ 4,158,790</u>	<u>\$ 3,535,702</u>

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

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Government Grants

Support funded by grants is recognized as TDF meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments may be required.

Employee Retention Credit

During the year ended June 30, 2022, TDF participated in the Federal Government's Employee Retention Credits (ERC) pandemic funding support program. The amount claimed of \$802,200 was included in grants and contributions on the statement of activities of that year. The amount outstanding at June 30, 2025 and 2024 is \$0 and \$116,556, respectively, and is included as employee retention credit receivable on the statements of financial position.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law, and has been designated as an organization which is not a private foundation.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the separate statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. A substantial portion of TDF's expenses are directly related to program activities. Certain costs have been allocated among the program, management and general, and fundraising categories based on hours worked, square footage of space used, and other methods.

Note 2. Contributions Receivable

Contributions receivable consisted of the following:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 341,203	\$ 320,000	\$ 661,203
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 137,943	\$ 243,125	\$ 381,068

Management has determined that all amounts are collectible and, therefore, no allowance for uncollectible pledges has been recorded as of June 30, 2025 and 2024.

Note 3. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
June 30, 2025				
Mutual funds				
Equities	\$ 4,860,824	\$ 4,860,824	\$ -	\$ -
Fixed income	814,140	814,140	-	-
Fixed income				
U.S. government obligations	256,055	256,055	-	-
Corporate	492,687	478,788	13,899	-
Money market	2,894,648	2,894,648	-	-
Total investments reported on the fair value hierarchy	9,318,354	\$ 9,304,455	\$ 13,899	\$ -
Cash and cash equivalents	111,455			
Total investments	\$ 9,429,809			

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		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
June 30, 2024				
Mutual funds				
Equities	\$ 4,358,401	\$ 4,358,401	\$ -	\$ -
Fixed income	600,236	600,236	-	-
Fixed income				
U.S. government obligations	3,181,846	3,181,846	-	-
Corporate	379,053	321,245	57,808	-
Total investments reported on the fair value hierarchy	8,519,536	<u>\$ 8,461,728</u>	<u>\$ 57,808</u>	<u>\$ -</u>
Cash and cash equivalents	<u>344,552</u>			
Total investments	<u>\$ 8,864,088</u>			

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2025 and 2024.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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Note 4. Property and Equipment

Property and equipment at June 30, 2025 and 2024 consists of:

	2025	2024
Furniture, computers, and equipment	\$ 492,765	\$ 466,293
Leasehold improvements	2,665,072	2,665,072
Website and software application costs	1,094,192	1,094,192
Construction in progress	364,105	-
	<u>4,616,134</u>	<u>4,225,557</u>
Less accumulated depreciation and amortization	<u>(3,518,879)</u>	<u>(3,263,544)</u>
	<u><u>\$ 1,097,255</u></u>	<u><u>\$ 962,013</u></u>

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	2025	2024
Subject to expenditure for specified time or purpose		
Theatre accessibility programs	\$ 400,000	\$ 200,000
Costume library	97,750	127,750
Theatre education program	373,024	184,305
Future period	103,500	-
Promises to give, the proceeds from which have been restricted by donors for		
Theatre accessibility programs	200,000	200,000
Theatre education	30,000	-
	<u>1,204,274</u>	<u>712,055</u>
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	<u>90,000</u>	<u>43,125</u>
	<u>90,000</u>	<u>43,125</u>
Endowments		
Subject to appropriation and expenditure		
Restricted by donor		
Theatre education programs	45,303	32,372
Not subject to spending policy or appropriation		
Required to be maintained in perpetuity by donor		
Theatre education program	<u>298,000</u>	<u>298,000</u>
	<u>343,303</u>	<u>330,372</u>
	<u><u>\$ 1,637,577</u></u>	<u><u>\$ 1,085,552</u></u>

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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2025	2024
Expiration of time restrictions	\$ 43,125	\$ 98,800
Satisfaction of purpose restrictions	418,611	484,500
	<u>\$ 461,736</u>	<u>\$ 583,300</u>

Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 have been designated for the following purposes:

	2025	2024	2025 Change in Net Assets
Undesignated	\$ (706,168)	\$ (163,044)	\$ (543,124)
TDF Activity/Leagues' special projects (A)	575,527	477,391	98,136
Board-designated reserve (B)	6,577,571	6,091,297	486,274
Board-designated endowment funds	185,560	-	185,560
Net investment in property and equipment	1,097,255	962,013	135,242
Related to accrued pension expense	-	(390,335)	390,335
	<u>\$ 7,729,745</u>	<u>\$ 6,977,322</u>	<u>\$ 752,423</u>
Net assets without donor restrictions			

(A) TDF Activity/Leagues' special projects represents the revenue derived from a portion of the service charge of the Theatre Centers that is to be used for TDF program activities and for League projects that are mutually agreed on by TDF and the Broadway League, or the League of Off-Broadway Theatres and Producers. These projects are administered by TDF. These revenues and expenses are reported as part of TDF's operating activities.

(B) The board-designated reserve is primarily held available to support various TDF programs in the event of extraordinary circumstances and may not be used without the express approval of the Board of Trustees. The Board of Trustees has approved a policy to allow for annual appropriations to fund programmatic operations in an amount not to exceed 5% of the fair value of the reserve based on a rolling 16-quarter average fair market value. Appropriations during the years ended June 30, 2025 and 2024 were \$228,000 and \$291,000, respectively.

Note 6. Wendy Wasserstein Endowment

TDF launched a campaign to fund an endowment for the Wendy Wasserstein Project, a theatre education mentoring program for New York City high school students. The Wendy Wasserstein Endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). Through June 30, 2025, TDF received \$298,000 for this endowment. TDF also has \$178,000 of additional board-designated endowment funds raised in prior years in memory of Wendy Wasserstein, and those funds may be used in conjunction with the Wendy Wasserstein Endowment earnings. As required by GAAP, net assets associated with Wendy Wasserstein Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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The Organization's governing body is subject to the *State of New York's Prudent Management of Institutional Funds Act* (NYPMIFA). As a result, the Organization classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

TDF invests its Wendy Wasserstein Endowment funds in United States Treasury Bills. These investments are intended to produce current income while assuming a low level of investment risk.

The composition of net assets by type of endowment fund at June 30, 2025 and 2024 was:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 178,611	-	\$ 178,611
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	298,000	298,000
Accumulated investment gains	6,949	45,303	52,252
Total endowment funds	<u>\$ 185,560</u>	<u>\$ 343,303</u>	<u>\$ 528,863</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ -	-	\$ -
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	298,000	298,000
Accumulated investment gains	-	32,372	32,372
Total endowment funds	<u>\$ -</u>	<u>\$ 330,372</u>	<u>\$ 330,372</u>

Change in endowment net assets for the years ended June 30, 2025 and 2024 was:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 330,372	\$ 330,372
Investment return, net	6,949	12,931	19,880
Transfer to create board-designated endowment	178,611	-	178,611
Endowment net assets, end of year	<u>\$ 185,560</u>	<u>\$ 343,303</u>	<u>\$ 528,863</u>

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	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 305,523	\$ 305,523
Investment return, net	-	24,849	24,849
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 330,372</u>	<u>\$ 330,372</u>

Note 7. Leases

Nature of Leases

TDF has entered into the following lease arrangements:

Operating Leases

TDF has leases for office space that expire in various years through 2031. These leases require TDF to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which ranges from a 2% to 5% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

TDF has a contingent liability under a standby letter of credit, in the amount of \$86,443, issued in lieu of a cash security deposit with respect to its office lease.

TDF has a leases for office equipment expiring in 2027. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

All Leases

TDF has no material related-party leases.

TDF's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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Quantitative Disclosures

The lease cost and other required information for the years ended June 30, 2025 and 2024 are:

	<u>2025</u>	<u>2024</u>
Lease cost		
Operating lease cost	\$ 907,965	\$ 901,182
Variable lease cost	<u>70,421</u>	<u>72,068</u>
Total lease cost	<u>\$ 978,386</u>	<u>\$ 973,250</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 998,217	\$ 965,105
Right-of-use assets obtained in exchange for new operating lease liabilities	45,799	-
Weighted-average remaining lease term		
Operating lease liabilities	4.27 years	5.11 years
Weighted average discount rate		
Operating leases	2.90%	2.89%

Future minimum lease payments and reconciliation to the statements of financial position at June 30, 2025 are as follows:

	<u>Operating Leases</u>
2026	\$ 948,274
2027	954,188
2028	954,880
2029	279,566
2030	279,566
Thereafter	<u>293,644</u>
Total future undiscounted lease payments	3,710,118
Less imputed interest	<u>(220,133)</u>
Lease liabilities	<u>\$ 3,489,985</u>

Note 8. Revenue from Contracts with Customers

Ticket Sale Service and Handling Charges

Revenue for ticket sale service charges is reported at the amount that reflects the consideration to which TDF expects to be entitled. These amounts are due from individuals. Amounts are not refunded once performances begin.

Revenue is recognized as performance obligations are satisfied, which is at the time of the performance.

Costume Collection Rental Income

Revenue from contracts with customers for costume rentals is reported at the amount that reflects the consideration to which TDF expects to be entitled in exchange for providing costume rentals to organizations. These amounts include variable consideration for discounts based on organization type. Refunds are not provided.

Rentals are generally short-term, and revenue is recognized as performance obligations are satisfied, which is ratably over the term of the rental.

Transaction Price and Recognition

TDF determines service and handling charges, along with costume collection rental rates, based on standard charges for goods and services provided, reduced by discounts provided in accordance with TDF's mission. TDF determines its estimate of implicit price concessions based on its historical collection experience with this class of customers. Payment for ticket sale service charges is due in advance, and payment for costume rentals are due at time of rental.

From time to time, TDF will receive overpayments of customer balances resulting in amounts owed back to either the customers or third parties. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2025 and 2024, TDF had \$0 and \$302, respectively, recorded as a liability for refunds.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the years ended June 30, 2025 and 2024, no additional revenue was recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

TDF has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, individuals, organizations, and others) that have different payment methodologies
- TDF's line of business that provided the service

For the years ended June 30, 2025 and 2024, TDF recognized revenue of \$1,555,225 and \$1,426,055, respectively, from goods and services that transfer to the customer over time and \$8,731,200 and \$7,980,378, respectively, from goods and services that transfer to the customer at a point in time.

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Contract Balances

The following table provides information about TDF's receivables and contract liabilities from contracts with customers:

	<u>2025</u>	<u>2024</u>
Accounts receivable, beginning of the year	\$ 104,387	\$ 108,130
Accounts receivable, end of the year	31,381	104,387
Contract liabilities, beginning of the year	149,586	274,256
Contract liabilities, end of the year	227,125	149,586

Gift card liabilities may also have components recognized as contract liabilities; however, this balance also includes amounts held as agent until redeemed by the customer.

Note 9. Pension and Other Postretirement Benefit Plans

Defined Contribution Plan

TDF has a defined contribution plan covering substantially all eligible employees. After one year of service, TDF matches an eligible employee's contribution up to 4.5% of the employee's compensation. Contribution expense was \$157,734 and \$157,617 for the years ended June 30, 2025 and 2024, respectively.

TDF also maintains a defined contribution plan for all non-union employees. The Board of Trustees annually determines the amount, if any, of TDF's contributions to the plan. Contribution expense was \$147,766 and \$139,359 for the years ended June 30, 2025 and 2024, respectively.

Defined Benefit Plan

The Organization has a noncontributory defined benefit pension plan covering substantially all employees who meet the eligibility requirements. TDF's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as TDF may determine to be appropriate from time to time. The plan was amended to freeze all benefits effective June 30, 2009. The plan was bought out in 2025.

The Organization uses a June 30 measurement date for the plan. Information about the plan's funded status follows:

	<u>Pension Benefits</u>	
	<u>2025</u>	<u>2024</u>
Benefit obligation	\$ -	\$ (4,665,794)
Fair value of plan assets	-	4,275,459
Funded status	<u>\$ -</u>	<u>\$ (390,335)</u>

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Liabilities recognized in the statements of financial position:

	Pension Benefits	
	2025	2024
Pension plan liability	\$ -	\$ (390,335)

Amounts recognized in the change in net assets not yet recognized as components of net periodic benefit cost consist of:

	Pension Benefits	
	2025	2024
Net gain (loss)	\$ (184,671)	\$ (30,860)
Amortization of net gain (loss)	-	-
Amortization of prior service cost	(979)	(1,655)
Amount recognized due to special event (final settlement)	(159,157)	-
	<u>\$ (344,807)</u>	<u>\$ (32,515)</u>

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	June 30	
	2025	2024
Accumulated benefit obligation	\$ -	\$ 4,665,794
Fair value of plan assets	\$ -	\$ 4,275,459

Other significant balances and costs are:

	Pension Benefits	
	2025	2024
Employer contributions	\$ 233,716	\$ 55,887
Participant contributions	-	-
Benefits paid	120,942	390,251
Net periodic benefit costs (credit)	188,188	4,862

The components of net periodic benefit cost (credit) other than the service cost component were \$188,188 and \$4,862 for the years ended June 30, 2025 and 2024, respectively, and are included in line item payroll taxes and employee benefits on the statements of functional expenses.

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Other changes in plan assets and benefit obligations recognized in change in net assets:

	Pension Benefits	
	2025	2024
Amounts arising during the period		
Net (gain) loss	\$ 28,052	\$ 3,207
Net prior service cost (credit)	-	-
Amounts reclassified as components of net periodic benefit cost of the period		
Net gain (loss)	-	-
Net prior service cost (credit)	979	1,655

Significant gains and losses related to changes in the defined benefit obligation for the year ended June 30, 2024 was due to changes in the discount rate.

Significant assumptions include:

	2025	2024
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	N/A	5.35%
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit costs:		
Discount rate	N/A	5.00%
Expected return on plan assets	N/A	6.25%
Rate of compensation increase	N/A	N/A

TDF has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations, and recent changes in long-term interest rates based on publicly available information.

TDF's overall investment strategy is to achieve long-term growth with a wide diversification of asset types, fund strategies, and fund managers. The target asset allocation percentages for 2025 and 2024 are as follows:

	Pension Benefits	
	2025	2024
Not to Exceed		
Equity securities	N/A	49%
Debt securities	N/A	45%
Real estate	N/A	6%
	<u>N/A</u>	<u>100%</u>

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Equity securities primarily include investments in large-cap, midcap, and small-cap companies primarily located in the United States. Fixed-income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include investments in hedge funds and private equity funds that follow several different strategies.

Pension Plan Assets

The following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include equities and fixed income funds. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy. Level 3 of the hierarchy includes real estate funds.

Due to the buy out of the pension plan, there are no plan assets at June 30, 2025. The fair values of the TDF's pension plan assets at June 30, 2024, by asset class, are as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total Fair Value			
June 30, 2024				
Mutual funds				
Large-cap	\$ 1,061,500	\$ -	\$ 1,061,500	\$ -
Small/mid-cap	410,784	-	410,784	-
International	620,263	-	620,263	-
Fixed income	1,890,848	-	1,890,848	-
Real estate fund	292,064	-	-	292,064
Total	<u>\$ 4,275,459</u>	<u>\$ -</u>	<u>\$ 3,983,395</u>	<u>\$ 292,064</u>

Transfers To and From Level 3

Transfers to and from Level 3 and the reasons for those transfers are as follows:

	2025	2024
	Significant Unobservable Inputs (Level 3)	Significant Unobservable Inputs (Level 3)
Purchases	\$ -	\$ 4,471
Sales	(294,165)	(28,998)
Transfers in and/or out of Level 3	<u>\$ (294,165)</u>	<u>\$ (24,527)</u>

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at June 30, 2024:

	Fair Value	Valuation Technique	Unobservable Inputs
Real estate fund	\$ 292,064	Assessed value	Real Estate market records of underlying holdings

Due to the buyout of the pension plan, there are no future service payments as of June 30, 2025.

Multiemployer Pension Plan

TDF contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement 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 TDF chooses to stop participating in some of its multiemployer plans, TDF may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in these plans for the annual periods ended June 30, 2025 and 2024 is outlined in the table below.

- The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable.
- Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2025 and 2024 is for the plan's year-end at August 30, 2024 and 2023, respectively.

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- The zone status is based on information the Organization received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone generally are 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 plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) either is pending or has been implemented.
- The last column lists the expiration date of the collective bargaining agreement to which the plans are subject.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Imple- mented	Contributions of TDF			Surcharge Imposed	Expiration Date of Bargaining Agreement
		2025	2024		2025	2024	2023		
Treasurers and Ticket Sellers Local 751 Pension Plan	13-6164776/001	Green as of 8/30/2024	Green as of 8/30/2023	N/A	\$ 180,880	\$ 162,984	\$ 143,825	No	12/31/2025

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Note 10. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents	\$ 2,726,270	\$ 1,670,047
Accounts receivable	116,370	108,568
Contributions receivable	661,203	381,068
Employee retention credit receivable	-	116,556
Investments	<u>9,429,809</u>	<u>8,864,088</u>
	12,933,652	11,140,327
Less amounts not available to be used:		
Amounts restricted by donors for specific purposes or periods	(1,339,577)	(787,552)
Plus amounts with restrictions expected to be met within one year	727,165	453,125
Amounts restricted by donors for endowment	(298,000)	(298,000)
Board-designated endowment	(185,560)	-
Board-designated funds	(6,577,571)	(6,091,297)
Plus amounts appropriated by the board for use within one year	<u>283,983</u>	<u>227,567</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,544,092</u>	<u>\$ 4,644,170</u>

The board-designated reserve of \$6,577,571 and \$6,091,267 as of June 30, 2025 and 2024, respectively, is subject to board appropriation. Although TDF does not intend to spend from this board-designated reserve (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

TDF manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. TDF has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. TDF has a policy to target a year-end balance of reserves without donor restriction and which are undesignated by the board to meet 60 to 120 days of expected expenditures. To achieve these targets, TDF forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves quarterly. During the years ended June 30, 2025 and 2024, the level of liquidity and reserves was managed within the policy requirements.

Note 11. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Grants and Contributions

Approximately 14% of all grants and contributions were received from one donor in 2025 and 2024.

Investments

TDF invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Note 12. Subsequent Events

Subsequent events have been evaluated through September 29, 2025, which is the date the financial statements were available to be issued.