

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Financial Statements
and
Supplementary Information

Years Ended May 31, 2011 and 2010

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
Years Ended May 31, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries
Boston, Massachusetts

We have audited the accompanying consolidated statements of financial position of The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries (the "Center") as of May 31, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Center as of May 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

October 6, 2011
Boston, Massachusetts

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Statements of Financial Position

May 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 2,180,032	\$ 3,186,852
Cash and cash equivalents held in escrow for advance ticket sales	1,258,492	953,990
Accounts receivable for advance ticket sales	109,273	68,489
Contributions receivable, net	3,191,052	812,927
Investments, at fair value	13,886,669	12,036,096
Property and equipment, net	14,276,824	14,862,708
Other assets	975,178	1,103,313
	<u>35,877,520</u>	<u>33,024,375</u>
Total assets	<u>\$ 35,877,520</u>	<u>\$ 33,024,375</u>
LIABILITIES AND NET ASSETS		
Line of credit borrowings	\$ 1,000,000	\$ 1,000,000
Accounts payable, accrued expenses and other liabilities	1,513,813	2,089,417
Unearned income	1,647,884	1,960,409
Deferred revenue for advance ticket sales	1,367,765	1,022,479
Total liabilities	<u>5,529,462</u>	<u>6,072,305</u>
Net assets:		
Unrestricted:		
Working capital and other reserves gain (deficit)	56,575	(176,697)
Board designated:		
Net investment in property and equipment	14,207,456	14,723,696
Total unrestricted net assets	<u>14,264,031</u>	<u>14,546,999</u>
Temporarily restricted	10,072,849	6,393,893
Permanently restricted	6,011,178	6,011,178
Total net assets	<u>30,348,058</u>	<u>26,952,070</u>
	<u>\$ 35,877,520</u>	<u>\$ 33,024,375</u>
Total liabilities and net assets	<u>\$ 35,877,520</u>	<u>\$ 33,024,375</u>

See notes to consolidated financial statements.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Statements of Activities
Years Ended May 31, 2011 and 2010

	2011	2010
Changes in unrestricted net assets:		
Operating revenues:		
Box office receipts	\$ 13,582,053	\$ 21,096,324
Theatre operations	9,595,406	12,524,800
Not-for-profit discounts	(377,785)	(377,635)
Sponsorships, net of commissions and fees of \$302,782 and \$552,493 for 2011 and 2010, respectively	1,688,481	1,872,448
Contributions and special events	438,880	239,745
Investment return appropriated for operations	336,601	363,340
Interest income	12,554	10,713
Net assets released from restrictions	1,493,459	2,686,674
Total revenues	<u>26,769,649</u>	<u>38,416,409</u>
Operating expenses:		
Third party presenters' share of box office receipts	10,526,856	16,822,099
Theatre operations	10,395,790	13,387,623
General and administrative	4,719,571	4,362,342
Fundraising costs	690,894	738,268
Public programming	-	9,753
Education programming	450,586	434,658
Total expenses	<u>26,783,697</u>	<u>35,754,743</u>
Increase (decrease) in unrestricted net assets from operations	<u>(14,048)</u>	2,661,666
Nonoperating:		
Change in carrying value of investment in productions, including write offs	(175,369)	(1,661,004)
Loss on disposal of leasehold improvements	(75,483)	-
Interest expense	(18,068)	(16,603)
Decrease in unrestricted net assets from nonoperating activities	<u>(268,920)</u>	<u>(1,677,607)</u>
Increase (decrease) in unrestricted net assets	<u>(282,968)</u>	984,059
Changes in temporarily restricted net assets:		
Contributions and pledges	3,433,077	419,397
Renovation revenues	-	175,000
Education revenues	228,379	572,064
Investment return after appropriation for operations	1,510,959	1,252,764
Net assets released from restrictions	(1,493,459)	(2,686,674)
Increase (decrease) in temporarily restricted net assets	<u>3,678,956</u>	<u>(267,449)</u>
Increase in net assets	3,395,988	716,610
Net assets, beginning of year	<u>26,952,070</u>	26,235,460
Net assets, end of year	<u>\$ 30,348,058</u>	<u>\$ 26,952,070</u>

See notes to consolidated financial statements.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended May 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Increase in net assets	\$ 3,395,988	\$ 716,610
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,060,985	1,091,844
Loss on disposal of leasehold improvements	98,955	-
Net realized and unrealized gain on investments	(1,373,545)	(1,207,645)
Write off of investment in productions	-	1,639,004
Equity loss in investment in productions	175,369	22,000
Other noncash items	7,000	-
Changes in:		
Cash and cash equivalents held in escrow for advance ticket sales	(304,502)	4,850,903
Accounts receivable for advance ticket sales	(40,784)	299,078
Contributions receivable, net	(2,378,125)	1,203,158
Other assets	(47,234)	1,375,931
Accounts payable, accrued expenses and other liabilities	(505,960)	(805,625)
Unearned income	(312,525)	(275,386)
Deferred revenue for advance ticket sales	345,286	(5,194,498)
Net cash provided by operating activities	<u>120,908</u>	<u>3,715,374</u>
Cash flows from investing activities:		
Purchases of property and equipment	(574,056)	(849,741)
Purchases of investments	(3,749,285)	(408,700)
Proceeds on sales of investments	3,265,257	-
Return of capital on investments in productions	-	2,448
Net cash used in investing activities	<u>(1,058,084)</u>	<u>(1,255,993)</u>
Cash flows from financing activities:		
Borrowings (repayments) on line of credit, net	-	(500,000)
Payments under capital lease obligation	(69,644)	(60,163)
Net cash used in financing activities	<u>(69,644)</u>	<u>(560,163)</u>
Increase (decrease) in cash and cash equivalents	(1,006,820)	1,899,218
Cash and cash equivalents, beginning of year	<u>3,186,852</u>	<u>1,287,634</u>
Cash and cash equivalents, end of year	<u>\$ 2,180,032</u>	<u>\$ 3,186,852</u>

See notes to consolidated financial statements.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

1. ORGANIZATION

The Wang Center for the Performing Arts, Inc. d/b/a Citi Performing Arts Center ("CPAC") is a not-for-profit organization. CPAC is the sole member of Wang Theatre, Inc., Tremont Theatre, Inc., and Wang Center Productions, Inc. d/b/a Citi Performing Arts Center Productions. CPAC and these three non-profit subsidiaries, together with its for-profit subsidiary, Wang Theatre Presents, Inc., as discussed below, are collectively referred to hereafter as the "Center." The Center's accompanying consolidated financial statements are presented on the accrual basis of accounting and include the financial statements of CPAC and its four subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Center manages all activities of the Wang and Shubert Theatres and is dedicated to presenting performing artists and cultural attractions from around the world to the citizens of New England. In addition, the Center strives to educate and inspire a greater appreciation for the performing arts as an integral component to the fabric of our society by providing community outreach, public programming and education programs.

On December 1, 2006, and as amended in October 2010, the Center entered into a long-term naming rights agreement with Citibank, N.A. Pursuant to this agreement, Citibank N.A. makes quarterly sponsorship payments which are used to further promote the vision and programming of the Center.

On August 5, 2008, and as amended on November 21, 2008, the Center entered into a booking agreement with Madison Square Garden Entertainment ("MSG"), a worldwide entertainment company recognized for its combination of event production and entertainment marketing. The arrangement expands the number and breadth of performances at the Wang Theatre and includes many that might not otherwise have toured in Boston. As part of the agreement, MSGE made a \$2 million sponsorship to the Center which is being used to support projects and initiatives that have a direct community impact and benefit. The sponsorship is being recognized on a straight-line basis over the ten year contract term. Pursuant to this agreement, the Center created an independent for-profit subsidiary, Wang Theatre Presents, Inc. ("WTP"), which accounts for events booked in the Wang Theatre. WTP operates under a licensing agreement with Wang Theatre, Inc., which grants WTP a license to use and occupy the theatre for licensed events, and with CPAC, which provides to WTP certain general and administrative staffing and support in exchange for fees equal to the costs for such services, or rent reasonably attributable to those events booked in the Wang Theatre.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification and Reporting of Net Assets

The Center's consolidated financial statement presentation follows the recommendations of the *Financial Statements of Not-for-Profit Organizations* guidance of the Accounting Standards Codification, (the "Codification"). Under this guidance, the Center is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the three net asset classes follows:

- Unrestricted net assets represent the portion of net assets of the Center that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Center as well as funds invested in property and equipment.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations.

Temporarily restricted net assets also include, pursuant to Massachusetts law, investment earnings on permanently restricted endowment funds which are subject to prudent appropriation for their intended purpose by the Finance Committee of the Board of Directors in accordance with terms of the endowment, the bylaws of the Center, and provisions of Massachusetts law.

- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Center. The Wang Endowment is the only donor-restricted endowment fund.

The Center has adopted the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* guidance of the Codification. This pronouncement provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). UPMIFA is a model act approved by the Uniform Law Commission ("ULC"; formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. This guidance also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Revenues

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as releases to unrestricted net assets.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. As of May 31, 2011, contributions to be received after one year were discounted using rates ranging from 2.7% - 3.3%. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history and the type of contribution. There was no allowance for uncollectible contributions receivable as of May 31, 2011 and 2010.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and released to unrestricted net assets to reflect the expiration of such restrictions.

Endowment Net Assets

The Finance Committee of the Board of Directors has interpreted Massachusetts General Law as requiring realized and unrealized gains of permanently restricted net assets to be retained in temporarily restricted net assets until appropriated by the Finance Committee and expended. Massachusetts General Law allows the Finance Committee to appropriate as much of investment earnings of permanently restricted net assets as is prudent considering the Center's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. In the absence of evidence to the contrary, Chapter 180A (the "Uniform Management of Institutional Funds") of the Commonwealth of Massachusetts General Law ("Chapter 180A") defines prudent spending.

Each year, at the discretion of the Finance Committee and as determined in the annual operating budget, 5% of the average fair value of the Wang Endowment of each of the preceding twelve quarters, net of management fees, is appropriated for operations in accordance with the Center's investment policies and procedures. During the years ended May 31, 2011 and 2010, the Finance Committee appropriated for operations \$336,601 and \$363,340, respectively.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Endowment Net Assets...continued

The Finance Committee has adopted investment and spending policies for endowment assets that attempt to grow the fair value of assets net of inflation, normal spending rate, administrative and investment expenses over the long-term in perpetuity without undue exposure to risk in accordance with the Center's investment policies. The Center's endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity.

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Since the endowment assets are expected to endure into perpetuity, and because inflation is a key component in its performance objective, the long-term risk of not investing in securities offering real growth potential outweighs the short-term volatility risk. As a result, a majority of assets are invested in equity or equity-like securities. Absolute return investments, which can invest across a range of asset classes with greater flexibility (i.e., short selling, leverage, etc.) and have less liquidity than equity or fixed income securities, are used to provide long term growth at a level consistent with the overall investment objective for the endowment assets, with lower volatility, a lower correlation to traditional asset classes and diversification benefits. Fixed income securities are used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Other asset classes may be included to provide diversification and incremental return.

Operations

Operating revenues consist of those items attributable to the Center's theatre activities, unrestricted contributions, and the annual transfer of endowment funds designated for operations. Non-operating items, including interest expense and non-recurring write offs of investments in productions, are shown separately.

Theatre Revenue Recognition

Theatre revenue is recognized as the related performances occur. Box office receipts represent the value of all tickets sold. Theatre operations revenues are comprised of theatre rental income and other fees, transaction commissions, function sales and fees for reimbursed theatre event expenses.

Citi Naming Rights Agreement

The Center is treating the Citi naming rights agreement as an executory contract, providing payments in exchange for sponsorship activities. Future quarterly payments will be recognized under a straight-line policy over each year of the contract term. Operating revenues related to this agreement are presented net of commissions and fulfillment expenses. For the years ended May 31, 2011 and 2010, the Center recognized net sponsorship revenue from this agreement in the amount of \$1,393,481 and \$1,668,339, respectively.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Cash Equivalents

Highly liquid short-term investments with an initial maturity of three months or less when purchased are recognized as cash equivalents, and are recorded at cost which approximates fair value.

Equity Investments

Equity investments are recorded at cost and amortized as performances occur or as recoupment payments are received. Investments in production are reviewed at least annually for impairment, or when the Center is informed of the cancellation or the early closing of a national tour or a Broadway run for that show. The carrying amount of an asset is adjusted whenever events or changes in forecasts indicate that the carrying amount of the asset may not be recoverable. Payments in excess of the asset are recognized as income in the period in which they are received. During the year ended May 31, 2010, approximately \$1,600,000 in assets were disposed of and written off. The remaining balance at May 31, 2011 and 2010 represents a 20% equity investment in an unrelated production company, and is presented as a component of other assets on the accompanying consolidated Statements of Financial Position.

Investments

Investments in debt and equity securities, as well as exchange-traded products are recorded at fair value, based on published market prices, if available, and realized and unrealized gains and losses are reflected in the statement of activities. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument. Mutual fund investments are recorded at reported net asset values. The Center invests cash in excess of daily requirements in short-term investments.

Fair Value Measurements

The Center follows the *Fair Value Measurements* guidance of the Codification. The guidance defines fair value, establishes a framework for measuring fair value within GAAP, and expands disclosures about fair value measurements. Under this guidance, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, the guidance establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under this guidance, fair value measurements are separately disclosed by level within the fair value hierarchy. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Valuations for assets traded in active exchange markets, such as the New York Stock Exchange. Level I also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Fair Value Measurements...continued

Level 2 - Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value as of the date of the gift. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The cost and related accumulated depreciation of assets replaced, retired or disposed of are eliminated from property and equipment accounts, and any gains or losses are reflected in revenue.

Advertising

Advertising costs are incurred to promote performances. The Center incurred advertising costs in the amount of \$1,528,055 and \$3,246,137 for the years ended May 31, 2011 and 2010, respectively.

Use of Estimates

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

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Tax Status

CPAC and its subsidiaries, excluding Wang Theatre Presents, Inc., are not-for-profit organizations as described under Internal Revenue Code (the "Code") Section 501(c)(3), are generally exempt from federal and state income taxes under the Code Section 501(a) and are also exempt from private foundation status under IRC Sections 509(a)(1) and 509(a)(3), respectively. As described in Note 1, Wang Theatre Presents, Inc. is organized under the provisions of Subchapter C of the Code; therefore, its earnings are subject to federal and state income taxes at applicable rates.

The Center has implemented the guidance for income taxes in accordance with ASC Topic 740, as it relates to *Accounting for Uncertainty in Income Taxes*, which clarifies the treatment of the Center's position of accounting for income taxes recognized in the financial statements. The guidance also prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in the tax return. In addition, it provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

These provisions became effective for the Center during the year ended May 31, 2010. The provisions are to be applied to all tax positions upon initial application of this standard, and only tax positions that meet the more-likely-than-not recognition threshold at the effective date may be recognized or continue to be recognized upon adoption of this application.

Based on applying the effect of these provisions, there was no impact to the financial statements requiring an adjustment to the opening balance of net assets. With few exceptions, the Center is no longer subject to income tax examinations by the U.S., federal, state or local tax authorities for years before 2008.

Wang Theatre Presents, Inc. follows the *Accounting for Income Taxes* guidance of the Codification. Under this guidance, income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related to temporary differences arising from assets and liabilities whose bases are different for financial reporting and income tax purposes.

Deferred income taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when recovered or settled. Deferred income taxes are also recognized for net operating losses and tax credits that are available to offset future taxable income. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

As of May 31, 2011 and 2010, Wang Theatre Presents, Inc. has cumulative net operating loss deferred tax assets of approximately \$2,410,000 and \$1,865,000, respectively. The net operating loss deferred tax assets begin to expire in 2024 and have been fully reserved at May 31, 2011 and 2010.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Concentrations of Credit Risk

The Center maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 presentation.

3. INVESTMENTS

Investments consisted of the following as of May 31:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 190,632	\$ 190,632	\$ 397,926	\$ 397,926
Exchange-traded products	681,454	708,617	2,091,846	1,626,087
Mutual funds:				
Diversified emerging market	10,013	10,013	-	-
Foreign large blend	3,932,551	4,095,780	2,775,018	1,684,283
Global real estate	-	-	561,344	303,979
Inflation-protected bond	-	-	927,332	943,639
Intermediate term bond	1,788,215	2,078,799	4,147,092	4,657,957
Large growth	-	-	769,896	614,420
Large value	-	-	855,350	576,100
Mutli-asset fund	3,276,593	3,338,626	-	-
World allocation	3,284,646	3,464,202	1,340,620	1,224,705
Equity securities	-	-	7,000	7,000
	<u>\$ 13,164,104</u>	<u>\$ 13,886,669</u>	<u>\$ 13,873,424</u>	<u>\$ 12,036,096</u>

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

3. INVESTMENTS...continued

The following table summarizes the valuation of the Center's investments by the fair value hierarchy levels as of May 31, 2011:

Description	Fair Value Measurements at Reporting Date Using			Total
	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 190,632	\$ -	\$ -	\$ 190,632
Exchange-traded products	708,617	-	-	708,617
Mutual funds:				
Diversified emerging market	10,013	-	-	10,013
Foreign large blend	4,095,780	-	-	4,095,780
Intermediate term bond	2,078,799	-	-	2,078,799
Mutli-asset fund	-	3,338,626	-	3,338,626
World Allocation	3,464,202	-	-	3,464,202
	<u>\$ 10,548,043</u>	<u>\$ 3,338,626</u>	<u>\$ -</u>	<u>\$ 13,886,669</u>

The following table summarizes the valuation of the Center's investments by the fair value hierarchy levels as of May 31, 2010:

Description	Fair Value Measurements at Reporting Date Using			Total
	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 397,926	\$ -	\$ -	\$ 397,926
Exchange-traded products	1,626,087	-	-	1,626,087
Mutual funds:				
Foreign large blend	1,684,283	-	-	1,684,283
Global real estate	303,979	-	-	303,979
Inflation-protected bond	943,639	-	-	943,639
Intermediate term bond	4,657,957	-	-	4,657,957
Large growth	614,420	-	-	614,420
Large value	576,100	-	-	576,100
World allocation	1,224,705	-	-	1,224,705
Equity securities	-	-	7,000	7,000
	<u>\$ 12,029,096</u>	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 12,036,096</u>

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

3. INVESTMENTS...continued

Investment return (loss) consisted of the following for the years ended May 31:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 531,274	\$ 480,428
Net realized gain (loss)	(1,176,387)	11,818
Net unrealized gain	2,559,891	1,195,827
Management fees	<u>(67,218)</u>	<u>(71,969)</u>
Return on investments	1,847,560	1,616,104
Investment return appropriated for operations	<u>(336,601)</u>	<u>(363,340)</u>
Investment return after appropriation for operations	<u>\$ 1,510,959</u>	<u>\$ 1,252,764</u>

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at May 31:

	<u>2011</u>	<u>2010</u>
Amounts due within one year	\$ 833,648	\$ 159,093
Amounts due from one to five years	2,555,500	673,829
Less - present value discount	<u>(198,096)</u>	<u>(19,995)</u>
	<u>\$ 3,191,052</u>	<u>\$ 812,927</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of May 31:

	Estimated Useful Life	<u>2011</u>	<u>2010</u>
Leasehold improvements	5-40 years	\$ 32,583,087	\$ 32,262,244
Office furniture and equipment	5-10 years	462,732	462,732
Theatre and concession equipment	5-10 years	625,878	567,354
Computer software and equipment	3-10 years	1,240,729	1,098,770
Equipment under capital lease	7-10 years	228,798	228,798
Land		65,000	65,000
Construction in progress		<u>94,859</u>	<u>141,084</u>
		35,301,083	34,825,982
Less - accumulated depreciation		<u>(21,024,259)</u>	<u>(19,963,274)</u>
		<u>\$ 14,276,824</u>	<u>\$ 14,862,708</u>

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

5. PROPERTY AND EQUIPMENT...continued

Depreciation charged to operations in the amount of \$1,060,985 and \$1,091,844 for the years ended May 31, 2011 and 2010, respectively, has been allocated to theatre operations, general and administrative and fundraising expenses based on the estimated percentage of square footage used by each of these functions. Accumulated amortization on leased computer hardware and telephone system was \$60,826 and \$34,583 as of May 31, 2011 and 2010, respectively.

6. LINE OF CREDIT

The Center has a secured revolving line of credit (the "Line") with a financial institution that provides for maximum borrowings up to \$2,000,000. The Line is collateralized by a first security interest in the Center's investments and is due on January 31, 2012. At the Center's election, interest is charged at either the Wall Street Journal's Prime Rate or the one month, three month or twelve month LIBOR rate plus 1.35%. As of May 31, 2011 and 2010, the Center had \$1,000,000 outstanding on the Line and has elected LIBOR plus 1.35% on all outstanding advances. The interest rates in effect on all outstanding advances at May 31, 2011 and 2010 were 1.559% and 1.599%, respectively. Subsequent to May 31, 2011, the maximum borrowings under the Line were increased to \$4,000,000 at the same interest terms, and extended until January 31, 2014.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at May 31:

	<u>2011</u>	<u>2010</u>
Time restrictions	\$ 3,191,052	\$ 800,847
Purpose restrictions:		
<i>Education department programs</i> and The Walter Suskind Memorial Fund	2,860,052	2,451,141
Accumulated appreciation on permanently restricted net assets subject to future Board appropriation	<u>4,021,745</u>	<u>3,141,905</u>
	<u>\$ 10,072,849</u>	<u>\$ 6,393,893</u>

The Walter Suskind Memorial Fund (the "Fund") was established to support the activities and outreach programs of the Center's education department. Contributions received are classified as temporarily restricted, to either education department programs or to the Fund based on donor-imposed restrictions. The Fund's Advisory Committee is authorized to expend the Fund's income and principal in support of the Center's education department programs. Net assets released for the programs were \$450,586 and \$434,658 for the years ended May 31, 2011 and 2010, respectively.

Net assets released based upon the expiration of time restrictions were \$1,042,873 and \$890,555 for the years ended May 31, 2011 and 2010, respectively. Net assets released for the restoration fund totaled \$1,357,000 for the year ended May 31, 2010 only. In addition, other releases of restricted net assets totaled \$0 and \$4,461 for the years ended May 31, 2011 and 2010, respectively.

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

8. ENDOWMENT NET ASSETS

The following is a summary of endowment net asset composition by type of fund at May 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Wang endowment fund	\$ -	\$ 4,021,745	\$ 6,011,178	\$ 10,032,923
Total funds	<u>\$ -</u>	<u>\$ 4,021,745</u>	<u>\$ 6,011,178</u>	<u>\$ 10,032,923</u>

The following is a summary of endowment net asset composition by type of fund at May 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Wang endowment fund	\$ -	\$ 3,141,905	\$ 6,011,178	\$ 9,153,083
Total funds	<u>\$ -</u>	<u>\$ 3,141,905</u>	<u>\$ 6,011,178</u>	<u>\$ 9,153,083</u>

Changes in endowment net assets:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment net assets, June 1, 2009	\$ -	\$ 1,889,141	\$ 6,011,178	\$ 7,900,319
Investment return:				
Investment income less management fees	-	408,459	-	408,459
Net realized and unrealized gain on investments	-	1,207,645	-	1,207,645
Total return on investment	<u>-</u>	<u>1,616,104</u>	<u>-</u>	<u>1,616,104</u>
Appropriation of investment return for expenditure	<u>-</u>	<u>(363,340)</u>	<u>-</u>	<u>(363,340)</u>
Endowment net assets, May 31, 2010	<u>-</u>	<u>3,141,905</u>	<u>6,011,178</u>	<u>9,153,083</u>
Investment return:				
Investment income less management fees	-	324,161	-	324,161
Net realized and unrealized gain on investments	-	892,280	-	892,280
Total return on investment	<u>-</u>	<u>1,216,441</u>	<u>-</u>	<u>1,216,441</u>
Appropriation of investment return for expenditure	<u>-</u>	<u>(336,601)</u>	<u>-</u>	<u>(336,601)</u>
Endowment net assets, May 31, 2011	<u>\$ -</u>	<u>\$ 4,021,745</u>	<u>\$ 6,011,178</u>	<u>\$ 10,032,923</u>

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

9. COMMITMENTS AND CONTINGENCIES

Commitments

During the year ended May 31, 2009, the Center entered into two capital leases for three years each. The first lease agreement commenced May 1, 2009 and the second lease agreement began September 1, 2008. Monthly capital lease payments for both leases with interest ranging from 0% to 8.84% are \$4,089 and \$2,477, respectively. The leases are secured by the underlying equipment.

The Center leases the Wang Theatre, the Shubert Theatre, the Shubert Theatre parking lot and various office space under leases that run through 2019, with extensions available for up to an additional 40 and 20 years on the Wang and Shubert Theatres, respectively. Total lease payments were \$379,651 and \$520,516 for the years ended May 31, 2011 and 2010, respectively.

A description of the Center's Theatre leases is as follows:

Wang Theatre

The Wang Theatre lease was executed on June 1, 1983 and expires on June 30, 2019, with the right to extend for an additional 40 years. Under the lease, the annual basic rent for the Wang Theatre is the greater of (a) \$50,000 with certain defined cost-of-living adjustments commencing in fiscal 1987, or (b) in respect to each day, during the next preceding lease year during which there was one or more performances: \$200 per performance, if such performance was noncommercial and \$275 per performance, if such performance was commercial, subject to specified adjustments, or (c) an amount equal to 6% of the first \$1,000,000 of gross rental revenues, as defined by the lease agreement, during the next preceding lease year, and 7% of gross rental revenues in excess of \$1,000,000 during the next preceding lease year. In addition, the terms of the lease require Wang Theatre, Inc. to pay real estate taxes and other costs and expenses related to the premises.

Shubert Theatre

The Shubert Theatre lease was executed on June 19, 1996 and expires on August 31, 2016, with the right to extend the term of the lease for two consecutive ten-year periods. The annual base rent is \$52,000 per year plus \$200 per performance. Consumer Price Index adjustments have been computed for lease years five and forward. In addition, the Tremont Theatre, Inc. is obligated to pay all personal property and real estate taxes levied against the premises, as well as all other costs and expenses related to the premises (unless expressly excepted).

Total commitments for all operating leases are as follows for the year ending May 31:

2012	\$	283,276
2013		224,736
2014		224,736
2015		224,736
2016		224,736
Thereafter		<u>502,366</u>
	\$	<u>1,684,586</u>

The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries

Notes to Consolidated Financial Statements
Years Ended May 31, 2011 and 2010

9. COMMITMENTS AND CONTINGENCIES...continued

Contingencies

The Center currently has unionized employees whose union contracts have either expired or are due to expire in the near future.

At May 31, 2011 and 2010, the Center had entered into certain presentation agreements with various production companies. These agreements are standard in the Center's industry, and, for each presentation agreement, there is the potential for either an increase or decrease in net assets based on the results of the presentation.

In the ordinary course of business the Center may experience disputes with vendors and other parties. As of May 31, 2011, the Center has accrued amounts which it estimates to be sufficient to defend or pay any claims that may arise from such disputes, based upon the Center's interpretation of the issues. Should the Center not prevail in any dispute under its interpretations, additional costs would be accrued.

10. RETIREMENT PLAN

The Center sponsors a retirement plan ("The Citi Performing Arts Retirement Plan", formerly "The Wang Center Retirement Plan") under Section 401(k) of the Code. The plan provides for a discretionary matching contribution and a discretionary lump-sum contribution. The Center contributed \$59,472 and \$56,980 in accordance with the 3% matching provision declared for 2011 and 2010, respectively. During 2011 and 2010, \$33,612 and \$30,078, respectively, of the 3% matching provision was funded by forfeitures within the plan. The Center made no lump-sum contributions for each of the years ended May 31, 2011 and 2010. Any discretionary lump-sum contributions would be distributed using a formula based upon salary level. The plan contains a graduated vesting schedule with participants becoming 100% vested after five years of service.

11. SUBSEQUENT EVENT

In preparing these consolidated financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 6, 2011, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Financial Position

May 31, 2011

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Citi Performing Arts Center Productions	Total Not for Profit Operations	Wang Theatre Presents, Inc.	Eliminating Entries	Consolidated Totals
ASSETS								
Cash and cash equivalents	\$ 1,860,442	\$ 874	\$ 177,532	\$ 4,431	\$ 2,043,279	\$ 136,753	\$ -	\$ 2,180,032
Cash and cash equivalents held in escrow for advance ticket sales	-	-	62,238	-	62,238	1,196,254	-	1,258,492
Accounts receivable for advance ticket sales	-	-	-	-	-	109,273	-	109,273
Contributions receivable, net	3,191,052	-	-	-	3,191,052	-	-	3,191,052
Investments, at fair value	13,886,669	-	-	-	13,886,669	-	-	13,886,669
Property and equipment, net	499,612	10,141,516	3,526,865	-	14,167,993	108,831	-	14,276,824
Due to / due from related parties	18,671,379	(1,344,318)	(4,546,127)	(6,533,857)	6,247,077	(6,247,077)	-	-
Other assets	240,060	80,187	19,644	173,471	513,362	461,816	-	975,178
Total assets	\$ 38,349,214	\$ 8,878,259	\$ (759,848)	\$ (6,355,955)	\$ 40,111,670	\$ (4,234,150)	\$ -	\$ 35,877,520
LIABILITIES AND NET ASSETS								
Line of credit borrowings	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Accounts payable, accrued expenses and other liabilities	363,107	732,040	170,558	6,000	1,271,705	242,108	-	1,513,813
Unearned income	1,400,000	-	5,600	-	1,405,600	242,284	-	1,647,884
Deferred revenue for advance ticket sales	-	-	62,238	-	62,238	1,305,527	-	1,367,765
Total liabilities	2,763,107	732,040	238,396	6,000	3,739,543	1,789,919	-	5,529,462
Net assets:								
Unrestricted:								
Working capital and other reserves gain (deficit)	19,071,836	(1,995,297)	(4,525,109)	(6,361,955)	6,189,475	(6,132,900)	-	56,575
Board designated:								
Net investment in property and equipment	430,244	10,141,516	3,526,865	-	14,098,625	108,831	-	14,207,456
Total unrestricted net assets	19,502,080	8,146,219	(998,244)	(6,361,955)	20,288,100	(6,024,069)	-	14,264,031
Temporarily restricted	10,072,849	-	-	-	10,072,849	-	-	10,072,849
Permanently restricted	6,011,178	-	-	-	6,011,178	-	-	6,011,178
Total net assets	35,586,107	8,146,219	(998,244)	(6,361,955)	36,372,127	(6,024,069)	-	30,348,058
Total liabilities and net assets	\$ 38,349,214	\$ 8,878,259	\$ (759,848)	\$ (6,355,955)	\$ 40,111,670	\$ (4,234,150)	\$ -	\$ 35,877,520

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Activities
Year Ended May 31, 2011

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Citi Performing Arts Center Productions	Total Not for Profit Operations	Wang Theatre Presents, Inc.	Eliminating Entries	Consolidated Totals
Changes in unrestricted net assets:								
Operating revenues:								
Box office receipts	\$ -	\$ -	\$ 353,674	\$ -	\$ 353,674	\$ 13,228,379	\$ -	\$ 13,582,053
Theatre operations	1,999,736	2,094,570	1,558,611	-	5,652,917	7,259,597	(3,317,108)	9,595,406
Not-for-profit discounts	-	-	(377,785)	-	(377,785)	-	-	(377,785)
Sponsorships, net	1,600,492	-	-	-	1,600,492	87,989	-	1,688,481
Contributions and special events	438,880	-	-	-	438,880	-	-	438,880
Investment return appropriated for operations	336,601	-	-	-	336,601	-	-	336,601
Interest income	7,121	-	60	-	7,181	5,373	-	12,554
Net assets released from restrictions	1,493,459	-	-	-	1,493,459	-	-	1,493,459
Total revenues	<u>5,876,289</u>	<u>2,094,570</u>	<u>1,534,560</u>	<u>-</u>	<u>9,505,419</u>	<u>20,581,338</u>	<u>(3,317,108)</u>	<u>26,769,649</u>
Operating expenses:								
Third party presenters' share of box office receipts	-	-	353,674	-	353,674	10,173,182	-	10,526,856
Theatre operations	45,667	2,212,098	1,375,352	-	3,633,117	8,760,452	(1,997,779)	10,395,790
General and administrative	2,419,304	274,555	281,479	55,105	3,030,443	3,008,457	(1,319,329)	4,719,571
Fundraising costs	690,894	-	-	-	690,894	-	-	690,894
Public programming	-	-	-	-	-	-	-	-
Education programming	448,101	2,485	-	-	450,586	-	-	450,586
Total expenses	<u>3,603,966</u>	<u>2,489,138</u>	<u>2,010,505</u>	<u>55,105</u>	<u>8,158,714</u>	<u>21,942,091</u>	<u>(3,317,108)</u>	<u>26,783,697</u>
Increase (decrease) in unrestricted net assets from operations	<u>2,272,323</u>	<u>(394,568)</u>	<u>(475,945)</u>	<u>(55,105)</u>	<u>1,346,705</u>	<u>(1,360,753)</u>	<u>-</u>	<u>(14,048)</u>
Nonoperating:								
Change in value of investment in productions, including write offs	-	-	-	(175,369)	(175,369)	-	-	(175,369)
Loss on disposal of leasehold improvements	(75,483)	-	-	-	(75,483)	-	-	(75,483)
Interest expense	(18,068)	-	-	-	(18,068)	-	-	(18,068)
Increase (decrease) in unrestricted net assets from nonoperating activities	<u>(93,551)</u>	<u>-</u>	<u>-</u>	<u>(175,369)</u>	<u>(268,920)</u>	<u>-</u>	<u>-</u>	<u>(268,920)</u>
Increase (decrease) in unrestricted net assets	<u>2,178,772</u>	<u>(394,568)</u>	<u>(475,945)</u>	<u>(230,474)</u>	<u>1,077,785</u>	<u>(1,360,753)</u>	<u>-</u>	<u>(282,968)</u>
Changes in temporarily restricted assets:								
Contributions and pledges	3,433,077	-	-	-	3,433,077	-	-	3,433,077
Education revenues	228,379	-	-	-	228,379	-	-	228,379
Investment return after appropriation for operations	1,510,959	-	-	-	1,510,959	-	-	1,510,959
Net assets released from restrictions	(1,493,459)	-	-	-	(1,493,459)	-	-	(1,493,459)
Increase (decrease) in temporarily restricted net assets	<u>3,678,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,678,956</u>	<u>-</u>	<u>-</u>	<u>3,678,956</u>
Increase (decrease) in net assets	<u>5,857,728</u>	<u>(394,568)</u>	<u>(475,945)</u>	<u>(230,474)</u>	<u>4,756,741</u>	<u>(1,360,753)</u>	<u>-</u>	<u>3,395,988</u>
Net assets, beginning of year	<u>29,728,379</u>	<u>8,540,787</u>	<u>(522,299)</u>	<u>(6,131,481)</u>	<u>31,615,386</u>	<u>(4,663,316)</u>	<u>-</u>	<u>26,952,070</u>
Net assets, end of year	<u>\$ 35,586,107</u>	<u>\$ 8,146,219</u>	<u>\$ (998,244)</u>	<u>\$ (6,361,955)</u>	<u>\$ 36,372,127</u>	<u>\$ (6,024,069)</u>	<u>\$ -</u>	<u>\$ 30,348,058</u>

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Financial Position

May 31, 2010

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Citi Performing Arts Center Productions	Total Not for Profit Operations	Wang Theatre Presents, Inc.	Eliminating Entries	Consolidated Totals
ASSETS								
Cash and cash equivalents	\$ 1,975,353	\$ -	\$ 65,320	\$ 9,196	\$ 2,049,869	\$ 1,136,983	\$ -	\$ 3,186,852
Cash and cash equivalents held in escrow for advance ticket sales	-	-	2,128	-	2,128	951,862	-	953,990
Accounts receivable for advance ticket sales	-	-	-	-	-	68,489	-	68,489
Contributions receivable, net	812,927	-	-	-	812,927	-	-	812,927
Investments, at fair value	12,036,096	-	-	-	12,036,096	-	-	12,036,096
Property and equipment, net	705,767	10,511,992	3,517,820	-	14,735,579	127,129	-	14,862,708
Due to / due from related parties	17,594,595	(1,464,015)	(3,994,063)	(6,485,203)	5,651,314	(5,651,314)	-	-
Other assets	138,118	136,393	11,863	351,025	637,399	465,914	-	1,103,313
Total assets	<u>\$ 33,262,856</u>	<u>\$ 9,184,370</u>	<u>\$ (396,932)</u>	<u>\$ (6,124,982)</u>	<u>\$ 35,925,312</u>	<u>\$ (2,900,937)</u>	<u>\$ -</u>	<u>\$ 33,024,375</u>
LIABILITIES AND NET ASSETS								
Line of credit borrowings	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Accounts payable, accrued expenses and other liabilities	738,962	643,583	123,239	6,499	1,512,283	577,134	-	2,089,417
Unearned income	1,795,515	-	-	-	1,795,515	164,894	-	1,960,409
Deferred revenue for advance ticket sales	-	-	2,128	-	2,128	1,020,351	-	1,022,479
Total liabilities	<u>3,534,477</u>	<u>643,583</u>	<u>125,367</u>	<u>6,499</u>	<u>4,309,926</u>	<u>1,762,379</u>	<u>-</u>	<u>6,072,305</u>
Net assets:								
Unrestricted:								
Working capital and other reserves gain (deficit)	16,756,553	(1,971,205)	(4,040,119)	(6,131,481)	4,613,748	(4,790,445)	-	(176,697)
Board designated:								
Net investment in property and equipment	566,755	10,511,992	3,517,820	-	14,596,567	127,129	-	14,723,696
Total unrestricted net assets	<u>17,323,308</u>	<u>8,540,787</u>	<u>(522,299)</u>	<u>(6,131,481)</u>	<u>19,210,315</u>	<u>(4,663,316)</u>	<u>-</u>	<u>14,546,999</u>
Temporarily restricted	6,393,893	-	-	-	6,393,893	-	-	6,393,893
Permanently restricted	6,011,178	-	-	-	6,011,178	-	-	6,011,178
Total net assets	<u>29,728,379</u>	<u>8,540,787</u>	<u>(522,299)</u>	<u>(6,131,481)</u>	<u>31,615,386</u>	<u>(4,663,316)</u>	<u>-</u>	<u>26,952,070</u>
Total liabilities and net assets	<u>\$ 33,262,856</u>	<u>\$ 9,184,370</u>	<u>\$ (396,932)</u>	<u>\$ (6,124,982)</u>	<u>\$ 35,925,312</u>	<u>\$ (2,900,937)</u>	<u>\$ -</u>	<u>\$ 33,024,375</u>

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Activities
Year Ended May 31, 2010

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Citi Performing Arts Center Productions	Total Not for Profit Operations	Wang Theatre Presents, Inc.	Eliminating Entries	Consolidated Totals
Changes in unrestricted net assets:								
Operating revenues:								
Box office receipts	\$ -	\$ -	\$ 11,580,159	\$ -	\$ 11,580,159	\$ 9,516,165	\$ -	\$ 21,096,324
Theatre operations	1,959,813	3,702,042	6,013,256	28,764	11,703,875	3,753,517	(2,932,592)	12,524,800
Not-for-profit discounts	-	-	(377,635)	-	(377,635)	-	-	(377,635)
Sponsorships, net	1,805,010	(451)	-	-	1,804,559	67,889	-	1,872,448
Contributions and special events	239,745	-	-	-	239,745	-	-	239,745
Investment return appropriated for operations	363,340	-	-	-	363,340	-	-	363,340
Interest income	1,537	-	5,494	-	7,031	3,682	-	10,713
Net assets released from restrictions	2,511,674	-	175,000	-	2,686,674	-	-	2,686,674
Total revenues	6,881,119	3,701,591	17,396,274	28,764	28,007,748	13,341,253	(2,932,592)	38,416,409
Operating expenses:								
Third party presenters' share of box office receipts	-	-	11,580,159	-	11,580,159	5,241,940	-	16,822,099
Theatre operations	257,216	2,180,212	4,144,765	12,135	6,594,328	8,493,459	(1,700,164)	13,387,623
General and administrative	2,357,448	106,733	254,554	102,271	2,821,006	2,773,764	(1,232,428)	4,362,342
Fundraising costs	738,223	-	-	-	738,223	45	-	738,268
Public programming	9,675	-	-	-	9,675	78	-	9,753
Education programming	376,335	55	58,187	-	434,577	81	-	434,658
Total expenses	3,738,897	2,287,000	16,037,665	114,406	22,177,968	16,509,367	(2,932,592)	35,754,743
Increase (decrease) in unrestricted net assets from operations	3,142,222	1,414,591	1,358,609	(85,642)	5,829,780	(3,168,114)	-	2,661,666
Nonoperating:								
Change in value of investment in productions, including write offs	-	-	-	(1,661,004)	(1,661,004)	-	-	(1,661,004)
Loss on disposal of leasehold improvements	-	-	-	-	-	-	-	-
Interest expense	(16,603)	-	-	-	(16,603)	-	-	(16,603)
Increase (decrease) in unrestricted net assets from nonoperating activities	(16,603)	-	-	(1,661,004)	(1,677,607)	-	-	(1,677,607)
Increase (decrease) in unrestricted net assets	3,125,619	1,414,591	1,358,609	(1,746,646)	4,152,173	(3,168,114)	-	984,059
Changes in temporarily restricted assets:								
Contributions and pledges	419,397	-	-	-	419,397	-	-	419,397
Renovation revenues	-	-	175,000	-	175,000	-	-	175,000
Education revenues	572,064	-	-	-	572,064	-	-	572,064
Investment return after appropriation for operations	1,252,764	-	-	-	1,252,764	-	-	1,252,764
Net assets released from restrictions	(2,511,674)	-	(175,000)	-	(2,686,674)	-	-	(2,686,674)
Increase (decrease) in temporarily restricted net assets	(267,449)	-	-	-	(267,449)	-	-	(267,449)
Increase (decrease) in net assets	2,858,170	1,414,591	1,358,609	(1,746,646)	3,884,724	(3,168,114)	-	716,610
Net assets, beginning of year	26,870,209	7,126,196	(1,880,908)	(4,384,835)	27,730,662	(1,495,202)	-	26,235,460
Net assets, end of year	\$ 29,728,379	\$ 8,540,787	\$ (522,299)	\$ (6,131,481)	\$ 31,615,386	\$ (4,663,316)	\$ -	\$ 26,952,070