

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

Consolidated Financial Statements  
and  
Consolidating Information

Years Ended May 31, 2012 and 2011

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

CONSOLIDATED FINANCIAL STATEMENTS  
AND  
CONSOLIDATING INFORMATION  
Years Ended May 31, 2012 and 2011

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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, 2012 and 2011, 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, 2012 and 2011, 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 conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*McGladrey LLP*

September 28, 2012  
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, 2012 and 2011

	2012	2011
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,392,814	\$ 2,180,032
Cash and cash equivalents held in escrow for advance ticket sales	1,282,543	1,258,492
Accounts receivable for advance ticket sales	67,499	109,273
Board designated reserve funds	1,501,772	-
Contributions receivable, net	2,825,898	3,191,052
Investments, at fair value	12,000,710	13,886,669
Property and equipment, net	14,715,358	14,276,824
Other assets	1,164,110	975,178
	<b>\$ 37,950,704</b>	<b>\$ 35,877,520</b>
<b>LIABILITIES AND NET ASSETS</b>		
Line of credit borrowings	\$ 1,000,000	\$ 1,000,000
Note payable	1,439,613	-
Accounts payable, accrued expenses and other liabilities	2,918,392	1,513,813
Unearned income	1,708,247	1,647,884
Deferred revenue for advance ticket sales	1,350,041	1,367,765
Total liabilities	<b>8,416,293</b>	<b>5,529,462</b>
Net assets:		
Unrestricted:		
Working capital and other reserves	329,558	56,575
Net investment in property and equipment	14,715,358	14,207,456
Total unrestricted net assets	<b>15,044,916</b>	<b>14,264,031</b>
Temporarily restricted	8,478,317	10,072,849
Permanently restricted	6,011,178	6,011,178
Total net assets	<b>29,534,411</b>	<b>30,348,058</b>
	<b>\$ 37,950,704</b>	<b>\$ 35,877,520</b>

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, 2012 and 2011

	2012	2011
Changes in unrestricted net assets:		
Operating revenues:		
Box office receipts	\$ 13,535,088	\$ 13,582,053
Theatre operations	9,771,739	9,595,406
Not-for-profit discounts	(345,659)	(377,785)
Sponsorships, net of commissions and fees of \$225,782 and \$302,782 for 2012 and 2011, respectively	1,481,093	1,688,481
Contributions and special events	1,870,065	1,174,057
Investment return appropriated for operations	564,059	336,601
Interest income	6,454	12,554
Net assets released from restrictions	1,089,944	758,282
Total revenues	<u>27,972,783</u>	<u>26,769,649</u>
Operating expenses:		
Third party presenters' share of box office receipts	8,871,441	10,526,856
Theatre operations	14,456,989	12,446,659
General and administrative	2,632,242	2,627,098
Fundraising costs	868,181	732,498
Education programming	312,678	450,586
Total expenses	<u>27,141,531</u>	<u>26,783,697</u>
Increase (decrease) in unrestricted net assets from operations	<u>831,252</u>	<u>(14,048)</u>
Nonoperating:		
Change in carrying value of investment in productions, including write offs	(22,285)	(175,369)
Loss on disposal of leasehold improvements	-	(75,483)
Interest expense	(28,082)	(18,068)
Decrease in unrestricted net assets from nonoperating activities	<u>(50,367)</u>	<u>(268,920)</u>
Increase (decrease) in unrestricted net assets	<u>780,885</u>	<u>(282,968)</u>
Changes in temporarily restricted net assets:		
Contributions and pledges	677,111	2,697,900
Provision for uncollectible pledges	(265,000)	-
Education revenues	220,729	228,379
Investment return (loss) after appropriation for operations	(1,137,428)	1,510,959
Net assets released from restrictions	(1,089,944)	(758,282)
Increase (decrease) in temporarily restricted net assets	<u>(1,594,532)</u>	<u>3,678,956</u>
Increase (decrease) in net assets	<u>(813,647)</u>	<u>3,395,988</u>
Net assets, beginning of year	<u>30,348,058</u>	<u>26,952,070</u>
Net assets, end of year	<u>\$ 29,534,411</u>	<u>\$ 30,348,058</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, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (813,647)	\$ 3,395,988
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,259,386	1,060,985
Loss on disposal of leasehold improvements	-	98,955
Net realized and unrealized loss (gain) on investments	971,562	(1,373,545)
Change in carrying value of investment in productions, including write offs	22,285	175,369
Other noncash items	-	7,000
Changes in:		
Cash and cash equivalents held in escrow for advance ticket sales	(24,051)	(304,502)
Accounts receivable for advance ticket sales	41,774	(40,784)
Contributions receivable, net	365,154	(2,378,125)
Other assets	(211,217)	(47,234)
Accounts payable, accrued expenses and other liabilities	1,473,947	(505,960)
Unearned income	60,363	(312,525)
Deferred revenue for advance ticket sales	(17,724)	345,286
Net cash provided by operating activities	<u>3,127,832</u>	<u>120,908</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,697,920)	(574,056)
Purchases of investments	(398,193)	(3,749,285)
Proceeds from sales of investments	1,312,590	3,265,257
Board designated reserve funds deposit and interest	(1,501,772)	-
Net cash used in investing activities	<u>(2,285,295)</u>	<u>(1,058,084)</u>
Cash flows from financing activities		
Proceeds from note payable	1,500,000	-
Repayments on note payable	(60,387)	-
Payments under capital lease obligation	(69,368)	(69,644)
Net cash provided by (used in) financing activities	<u>1,370,245</u>	<u>(69,644)</u>
Increase (decrease) in cash and cash equivalents	2,212,782	(1,006,820)
Cash and cash equivalents, beginning of year	<u>2,180,032</u>	<u>3,186,852</u>
Cash and cash equivalents, end of year	<u>\$ 4,392,814</u>	<u>\$ 2,180,032</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, 2012 and 2011

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## 1. ORGANIZATION

The Wang Center for the Performing Arts, Inc. d/b/a Citi Performing Arts Center ("CPAC") is a not-for-profit organization located in Boston, Massachusetts. 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.

## 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. As of May 31, 2012, working capital and other reserves include \$188,033 of operating cash reserve funds and \$1,313,739 of building cash reserve funds, as designated by the board of directors.
- 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 investment policies 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 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, 2012 and 2011

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

### Classification and Reporting of Net Assets...continued

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.

### 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, 2012, 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. The allowance for uncollectible contributions receivable as of May 31, 2012 and 2011 was \$265,000 and \$0, respectively.

Contributions received with donor-imposed restrictions are reported as temporarily restricted revenues and released to unrestricted net assets upon expiration of such restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class. The Center previously reported these contributions as temporarily restricted net assets and released to unrestricted net assets within the same year. The net assets released from restrictions for the year ended May 31, 2011 were previously reported at \$1,493,459 but have been reduced to \$758,282 based on the Center's change in accounting policy surrounding contributions.

# 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, 2012 and 2011

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

### Endowment Net Assets

The Finance Committee of the Board of Directors has interpreted Massachusetts General Law as requiring investment income and 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 for 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, 2012 and 2011, the Finance Committee appropriated for operations \$564,059 and \$336,601, respectively.

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. 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. Amounts collected in advance of performances or events are recorded as unearned income or deferred revenue for advance ticket sales.

# 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, 2012 and 2011

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

### Citi Naming Rights Agreement

The Center is treating the Citi naming rights agreement as an executory contract, in which payments are provided to the Center in exchange for sponsorship activities. Quarterly payments are 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, 2012 and 2011, the Center recognized net sponsorship revenue from this agreement in the amount of \$1,198,521 and \$1,393,481, respectively.

### 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. Cash equivalents held in the investment portfolio are included in investments at fair value.

### Equity Investments

Equity investments were originally recorded in the amount of the investment made by the Center, and subsequently increased for contributions made and equity in earnings, and decreased for distributions received and equity in losses. The balance at May 31, 2012 and 2011 represents equity investments in unrelated production companies, and is presented as a component of other assets on the accompanying consolidated Statements of Financial Position. The Center's interest in the earnings and losses in these investments are recorded in the Statement of Activities as non-operating gains or losses.

### 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 addition, the Center reports certain investments using the net asset value per share as determined by the investment managers under the so called "practical expedient". The practical expedient allows the net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. 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, 2012 and 2011

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## 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.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

### 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 Funds

Mutual funds are valued at the published net asset values or quoted market prices for identical assets provided by the fund manager.

### 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 non-operating gains or losses.

### Advertising

Advertising costs are incurred to promote performances. The Center incurred advertising costs in the amount of \$1,976,203 and \$1,528,055 for the years ended May 31, 2012 and 2011, 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, 2012 and 2011

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

### 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.

### 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 consolidated financial statements. The guidance also prescribes a recognition threshold and measurement standard for the consolidated 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. The Center has no uncertain tax positions at May 31, 2012 or 2011.

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 2009. Interest and penalties, if any, are included in income tax expense.

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 entity's 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, 2012 and 2011, Wang Theatre Presents, Inc. has deferred tax assets of approximately \$2,883,000 and \$2,410,000, respectively, arising from cumulative net operating losses. The net operating losses begin to expire in 2024 and have been fully reserved at May 31, 2012 and 2011, as they are not expected to be realized.

# 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, 2012 and 2011

## 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 2011 financial statements to conform to the 2012 presentation.

## 3. INVESTMENTS

Investments consisted of the following as of May 31:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 296,031	\$ 296,031	\$ 190,632	\$ 190,632
Exchange-traded products	522,574	537,013	681,454	708,617
Mutual funds:				
Diversified emerging market	-	-	10,013	10,013
Foreign large blend	539,209	492,104	771,773	696,308
Intermediate term bond	1,563,162	1,781,485	1,788,216	2,078,799
Multi-asset fund	3,276,830	3,104,990	3,276,593	3,338,626
World allocation	5,903,219	5,789,087	6,445,423	6,863,674
	<u>\$ 12,101,025</u>	<u>\$ 12,000,710</u>	<u>\$ 13,164,104</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, 2012:

Description	Fair Value Measurements at Reporting Date Using			Total
	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 296,031	\$ -	\$ -	\$ 296,031
Exchange-traded products	537,013	-	-	537,013
Mutual funds:				
Foreign large blend	492,104	-	-	492,104
Intermediate term bond	1,781,485	-	-	1,781,485
Multi-asset fund	-	3,104,990	-	3,104,990
World Allocation	5,789,087	-	-	5,789,087
	<u>\$ 8,895,720</u>	<u>\$ 3,104,990</u>	<u>\$ -</u>	<u>\$ 12,000,710</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, 2012 and 2011

### 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	696,308	-	-	696,308
Intermediate term bond	2,078,799	-	-	2,078,799
Multi-asset fund	-	3,338,626	-	3,338,626
World Allocation	6,863,674	-	-	6,863,674
	<u>\$ 10,548,043</u>	<u>\$ 3,338,626</u>	<u>\$ -</u>	<u>\$ 13,886,669</u>

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

	2012	2011
Interest and dividends	\$ 456,356	\$ 531,274
Net realized (loss) gain	(138,669)	(1,176,387)
Net unrealized (loss) gain	(832,893)	2,559,891
Management fees	(58,163)	(67,218)
(Loss) return on investments	(573,369)	1,847,560
Investment return appropriated for operations	(564,059)	(336,601)
Investment (loss) return after appropriation for operations	<u>\$ (1,137,428)</u>	<u>\$ 1,510,959</u>

### 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at May 31:

	2012	2011
Amounts due within one year	\$ 1,521,464	\$ 833,648
Amounts due from one to five years	1,672,000	2,555,500
Less – allowance for uncollectable contributions receivable	(265,000)	-
Less - present value discount	(102,566)	(198,096)
	<u>\$ 2,825,898</u>	<u>\$ 3,191,052</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, 2012 and 2011

## 5. PROPERTY AND EQUIPMENT

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

	Estimated Useful Life	2012	2011
Leasehold improvements	5-40 years	\$ 33,395,794	\$ 32,648,087
Office furniture and equipment	5-10 years	729,327	462,732
Theatre and concession equipment	5-10 years	869,257	625,878
Computer software and equipment	3-10 years	721,314	1,240,729
Equipment under capital lease	7-10 years	-	228,798
Construction in progress		<u>749,151</u>	<u>94,859</u>
		36,464,843	35,301,083
Less - accumulated depreciation		<u>(21,749,485)</u>	<u>(21,024,259)</u>
		<u>\$ 14,715,358</u>	<u>\$ 14,276,824</u>

Depreciation charged to operations totaled \$1,259,386 and \$1,060,985 for the years ended May 31, 2012 and 2011, respectively. Accumulated amortization on leased computer hardware and telephone system was \$0 and \$60,826 as of May 31, 2012 and 2011, respectively.

## 6. LINE OF CREDIT

The Center has a secured revolving line of credit (the "Line") with Citibank N.A. that provides for maximum borrowings up to \$4,000,000. The Line is collateralized by a first security interest in the Center's investments and is due on January 31, 2014. 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, 2012 and 2011, 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, 2012 and 2011 were 1.817% and 1.559%, respectively.

## 7. NOTE PAYABLE

On March 7, 2012, the Center entered into a note payable agreement with Citibank, N.A. The note is secured by the Citibank money market accounts and accrues simple interest at the rate of 1.75% per annum through March 2016. As of May 31, 2012, outstanding principal on this note totaled \$1,439,613. Interest expense for the year ended May 31, 2012 totaled \$4,331.

Annual maturities of the note payable for the ensuing years are summarized as follows:

2013	\$ 366,284
2014	372,746
2015	379,321
2016	<u>321,262</u>
	<u>\$ 1,439,613</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, 2012 and 2011

## 8. TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2012</u>	<u>2011</u>
Time restrictions	\$ 2,825,898	\$ 3,191,052
Purpose restrictions:		
The Walter Suskind Memorial Fund and Education Department programs	2,580,192	2,860,052
Accumulated appreciation on permanently restricted net assets subject to future Board appropriation	<u>3,072,227</u>	<u>4,021,745</u>
	<u>\$ 8,478,317</u>	<u>\$ 10,072,849</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 Center's Investment 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 \$312,678 and \$450,586 for the years ended May 31, 2012 and 2011, respectively.

Net assets released based upon the expiration of time restrictions were \$777,266 and \$307,696 for the years ended May 31, 2012 and 2011, respectively.

## 9. ENDOWMENT NET ASSETS

The following is a summary of endowment net asset composition by type of fund at May 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Wang endowment fund	\$ -	\$ 3,072,227	\$ 6,011,178	\$ 9,083,405
Total funds	<u>\$ -</u>	<u>\$ 3,072,227</u>	<u>\$ 6,011,178</u>	<u>\$ 9,083,405</u>

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 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, 2012 and 2011

## 9. ENDOWMENT NET ASSETS...continued

Changes in endowment net assets:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment net assets, May 31, 2010	\$ -	\$ 3,141,905	\$ 6,011,178	\$ 9,153,083
Investment return:				
Investment income less management fees	-	324,161	-	324,161
Net realized and unrealized gain on investment	-	892,280	-	892,280
Total return on investment	-	1,216,441	-	1,216,441
Appropriation of investment return for expenditure	-	(336,601)	-	(336,601)
Endowment net assets, May 31, 2011	-	4,021,745	6,011,178	10,032,923
Investment return:				
Investment income less management fees	-	261,122	-	261,122
Net realized and unrealized loss on investment	-	(646,581)	-	(646,581)
Total loss on investment	-	(385,459)	-	(385,459)
Appropriation of investment return for expenditure	-	(564,059)	-	(564,059)
Endowment net assets, May 31, 2012	\$ -	\$ 3,072,227	\$ 6,011,178	\$ 9,083,405

## 10. 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 September 1, 2008 and the second lease agreement began May 1, 2009. Monthly capital lease payments for both leases, with interest ranging from 0% to 8.84%, were \$2,477 and \$4,089, respectively. The leases were secured by the underlying equipment. These leases expired during fiscal year 2012 at which time the Center purchased the equipment for the bargain purchase price and reclassified the equipment costs to office furniture and equipment.

# 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, 2012 and 2011

## 10. COMMITMENTS AND CONTINGENCIES...continued

### Commitments...continued

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 \$310,987 and \$379,651 for the years ended May 31, 2012 and 2011, 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 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 expenses related to the premises (unless expressly excepted).

Total estimated commitments for operating leases for the Wang and Shubert Theatres and other equipment are as follows for the years ending May 31:

2013	\$	370,454
2014		376,729
2015		382,541
2016		384,392
2017		266,967
Thereafter		<u>330,466</u>
	\$	<u>2,111,549</u>

As of May 31, 2012, the Center has entered into various facilities related projects that include construction and renovation costs.

# 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, 2012 and 2011

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## 10. COMMITMENTS AND CONTINGENCIES...continued

### Contingencies

As of May 31, 2012, the Center has unionized employees whose union contracts have either expired or are due to expire in the near future.

At May 31, 2012 and 2011, 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, 2012, 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.

## 11. RETIREMENT PLANS

The Center sponsors a retirement plan ("Citi Performing Arts 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 \$71,149 and \$59,472 in accordance with the 3% matching provision declared for the years ended May 31, 2012 and 2011, respectively. During the years ended May 31, 2012 and 2011, \$25,949 and \$33,612, respectively, of the 3% matching provision was funded by forfeitures within the plan. The Center did not make a lump-sum contribution for either of the years ended May 31, 2012 and 2011. 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.

The Center offers a 403(b) defined contribution pension plan covering certain eligible union employees. Participating employees are allowed to make supplementary voluntary contributions up to the IRS tax-deferred limit. The Center's contribution is equal to \$10 per day for each day worked by an eligible employee. The Center contributed \$11,126 and \$6,899 for the years ended May 31, 2012 and 2011, respectively.

## 12. SUBSEQUENT EVENT

In preparing these consolidated financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 28, 2012, the date the consolidated financial statements were available to be issued.

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CONSOLIDATING INFORMATION

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

Consolidating Schedule of Financial Position  
May 31, 2012

	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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,419,256	\$ 172,463	\$ 626,798	\$ 24,376	\$ 2,242,893	\$ 2,149,921	\$ -	\$ 4,392,814
Cash and cash equivalents held in escrow for advance ticket sales	-	-	-	-	-	1,282,543	-	1,282,543
Accounts receivable for advance ticket sales	-	-	-	-	-	67,499	-	67,499
Board designated reserve funds	1,501,772	-	-	-	1,501,772	-	-	1,501,772
Contributions receivable, net	2,825,898	-	-	-	2,825,898	-	-	2,825,898
Investments, at fair value	12,000,710	-	-	-	12,000,710	-	-	12,000,710
Property and equipment, net	376,206	10,336,326	3,919,831	-	14,632,363	82,995	-	14,715,358
Due to / due from related parties	22,908,552	(2,231,457)	(5,808,467)	(6,605,775)	8,262,853	(8,262,853)	-	-
Other assets	141,974	384,917	18,485	150,179	695,555	468,555	-	1,164,110
<b>Total assets</b>	<b>\$ 41,174,368</b>	<b>\$ 8,662,249</b>	<b>\$ (1,243,353)</b>	<b>\$ (6,431,220)</b>	<b>\$ 42,162,044</b>	<b>\$ (4,211,340)</b>	<b>\$ -</b>	<b>\$ 37,950,704</b>
<b>LIABILITIES AND NET ASSETS</b>								
Line of credit borrowings	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Note payable	1,439,613	-	-	-	1,439,613	-	-	1,439,613
Accounts payable, accrued expenses and other liabilities	223,188	520,256	229,768	4,425	977,637	1,940,755	-	2,918,392
Unearned income	1,420,000	-	-	-	1,420,000	288,247	-	1,708,247
Deferred revenue for advance ticket sales	-	-	-	-	-	1,350,041	-	1,350,041
<b>Total liabilities</b>	<b>4,082,801</b>	<b>520,256</b>	<b>229,768</b>	<b>4,425</b>	<b>4,837,250</b>	<b>3,579,043</b>	<b>-</b>	<b>8,416,293</b>
Net assets:								
Unrestricted:								
Working capital (deficit) and other reserves	22,225,866	(2,194,333)	(5,392,952)	(6,435,645)	8,202,936	(7,873,378)	-	329,558
Net investment in property and equipment	376,206	10,336,326	3,919,831	-	14,632,363	82,995	-	14,715,358
<b>Total unrestricted net assets (deficit)</b>	<b>22,602,072</b>	<b>8,141,993</b>	<b>(1,473,121)</b>	<b>(6,435,645)</b>	<b>22,835,299</b>	<b>(7,790,383)</b>	<b>-</b>	<b>15,044,916</b>
Temporarily restricted	8,478,317	-	-	-	8,478,317	-	-	8,478,317
Permanently restricted	6,011,178	-	-	-	6,011,178	-	-	6,011,178
<b>Total net assets (deficit)</b>	<b>37,091,567</b>	<b>8,141,993</b>	<b>(1,473,121)</b>	<b>(6,435,645)</b>	<b>37,324,794</b>	<b>(7,790,383)</b>	<b>-</b>	<b>29,534,411</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 41,174,368</b>	<b>\$ 8,662,249</b>	<b>\$ (1,243,353)</b>	<b>\$ (6,431,220)</b>	<b>\$ 42,162,044</b>	<b>\$ (4,211,340)</b>	<b>\$ -</b>	<b>\$ 37,950,704</b>

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, 2012

	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	\$ -	\$ -	\$ 2,575,985	\$ -	\$ 2,575,985	\$ 10,959,103	\$ -	\$ 13,535,088
Theatre operations	1,939,675	2,893,537	1,980,790	-	6,814,002	6,479,812	(3,522,075)	9,771,739
Not-for-profit discounts	-	-	(345,659)	-	(345,659)	-	-	(345,659)
Sponsorships, net	1,385,517	-	-	-	1,385,517	95,576	-	1,481,093
Contributions and special events	1,870,065	-	-	-	1,870,065	-	-	1,870,065
Investment return appropriated for operations	564,059	-	-	-	564,059	-	-	564,059
Interest income	4,915	-	745	-	5,660	794	-	6,454
Net assets released from restrictions	1,089,944	-	-	-	1,089,944	-	-	1,089,944
Total revenues	6,854,175	2,893,537	4,211,861	-	13,959,573	17,535,285	(3,522,075)	27,972,783
Operating expenses:								
Third party presenters' share of box office receipts	-	-	1,227,799	-	1,227,799	7,643,642	-	8,871,441
Theatre operations	71,208	2,646,393	3,211,311	2,400	5,931,312	10,675,805	(2,150,128)	14,456,989
General and administrative	2,474,034	251,370	247,628	49,005	3,022,037	982,152	(1,371,947)	2,632,242
Fundraising costs	868,181	-	-	-	868,181	-	-	868,181
Education programming	312,678	-	-	-	312,678	-	-	312,678
Total expenses	3,726,101	2,897,763	4,686,738	51,405	11,362,007	19,301,599	(3,522,075)	27,141,531
Increase (decrease) in unrestricted net assets from operations	3,128,074	(4,226)	(474,877)	(51,405)	2,597,566	(1,766,314)	-	831,252
Nonoperating:								
Change in carrying value of investment in productions, including write offs	-	-	-	(22,285)	(22,285)	-	-	(22,285)
Interest expense	(28,082)	-	-	-	(28,082)	-	-	(28,082)
Decrease in unrestricted net assets from nonoperating activities	(28,082)	-	-	(22,285)	(50,367)	-	-	(50,367)
Increase (decrease) in unrestricted net assets	3,099,992	(4,226)	(474,877)	(73,690)	2,547,199	(1,766,314)	-	780,885
Changes in temporarily restricted assets:								
Contributions and pledges	677,111	-	-	-	677,111	-	-	677,111
Provision for uncollectible pledges	(265,000)	-	-	-	(265,000)	-	-	(265,000)
Education revenues	220,729	-	-	-	220,729	-	-	220,729
Investment return (loss) after appropriation for operations	(1,137,428)	-	-	-	(1,137,428)	-	-	(1,137,428)
Net assets released from restrictions	(1,089,944)	-	-	-	(1,089,944)	-	-	(1,089,944)
Decrease in temporarily restricted net assets	(1,594,532)	-	-	-	(1,594,532)	-	-	(1,594,532)
Increase (decrease) in net assets	1,505,460	(4,226)	(474,877)	(73,690)	952,667	(1,766,314)	-	(813,647)
Net assets (deficit), beginning of year	35,586,107	8,146,219	(998,244)	(6,361,955)	36,372,127	(6,024,069)	-	30,348,058
Net assets (deficit), end of year	\$ 37,091,567	\$ 8,141,993	\$ (1,473,121)	\$ (6,435,645)	\$ 37,324,794	\$ (7,790,383)	\$ -	\$ 29,534,411

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
<b>ASSETS</b>								
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
<b>Total assets</b>	<b>\$ 38,349,214</b>	<b>\$ 8,878,259</b>	<b>\$ (759,848)</b>	<b>\$ (6,355,955)</b>	<b>\$ 40,111,670</b>	<b>\$ (4,234,150)</b>	<b>\$ -</b>	<b>\$ 35,877,520</b>
<b>LIABILITIES AND NET ASSETS</b>								
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
<b>Total liabilities</b>	<b>2,763,107</b>	<b>732,040</b>	<b>238,396</b>	<b>6,000</b>	<b>3,739,543</b>	<b>1,789,919</b>	<b>-</b>	<b>5,529,462</b>
Net assets:								
Unrestricted:								
Working capital (deficit) and other reserves	19,071,836	(1,995,297)	(4,525,109)	(6,361,955)	6,189,475	(6,132,900)	-	56,575
Net investment in property and equipment	430,244	10,141,516	3,526,865	-	14,098,625	108,831	-	14,207,456
<b>Total unrestricted net assets (deficit)</b>	<b>19,502,080</b>	<b>8,146,219</b>	<b>(998,244)</b>	<b>(6,361,955)</b>	<b>20,288,100</b>	<b>(6,024,069)</b>	<b>-</b>	<b>14,264,031</b>
Temporarily restricted	10,072,849	-	-	-	10,072,849	-	-	10,072,849
Permanently restricted	6,011,178	-	-	-	6,011,178	-	-	6,011,178
<b>Total net assets (deficit)</b>	<b>35,586,107</b>	<b>8,146,219</b>	<b>(998,244)</b>	<b>(6,361,955)</b>	<b>36,372,127</b>	<b>(6,024,069)</b>	<b>-</b>	<b>30,348,058</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 38,349,214</b>	<b>\$ 8,878,259</b>	<b>\$ (759,848)</b>	<b>\$ (6,355,955)</b>	<b>\$ 40,111,670</b>	<b>\$ (4,234,150)</b>	<b>\$ -</b>	<b>\$ 35,877,520</b>

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	1,174,057	-	-	-	1,174,057	-	-	1,174,057
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	758,282	-	-	-	758,282	-	-	758,282
Total revenues	5,876,289	2,094,570	1,534,560	-	9,505,419	20,581,338	(3,317,108)	26,769,649
Operating expenses:								
Third party presenters' share of box office receipts	-	-	353,674	-	353,674	10,173,182	-	10,526,856
Theatre operations	98,757	2,226,873	1,390,128	2,090	3,717,848	10,726,590	(1,997,779)	12,446,659
General and administrative	2,324,610	259,780	266,703	53,015	2,904,108	1,042,319	(1,319,329)	2,627,098
Fundraising costs	732,498	-	-	-	732,498	-	-	732,498
Education programming	448,101	2,485	-	-	450,586	-	-	450,586
Total expenses	3,603,966	2,489,138	2,010,505	55,105	8,158,714	21,942,091	(3,317,108)	26,783,697
Increase (decrease) in unrestricted net assets from operations	2,272,323	(394,568)	(475,945)	(55,105)	1,346,705	(1,360,753)	-	(14,048)
Nonoperating:								
Change in carrying 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)
Decrease in unrestricted net assets from nonoperating activities	(93,551)	-	-	(175,369)	(268,920)	-	-	(268,920)
Increase (decrease) in unrestricted net assets	2,178,772	(394,568)	(475,945)	(230,474)	1,077,785	(1,360,753)	-	(282,968)
Changes in temporarily restricted assets:								
Contributions and pledges	2,697,900	-	-	-	2,697,900	-	-	2,697,900
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	(758,282)	-	-	-	(758,282)	-	-	(758,282)
Increase in temporarily restricted net assets	3,678,956	-	-	-	3,678,956	-	-	3,678,956
Increase (decrease) in net assets	5,857,728	(394,568)	(475,945)	(230,474)	4,756,741	(1,360,753)	-	3,395,988
Net assets (deficit), beginning of year	29,728,379	8,540,787	(522,299)	(6,131,481)	31,615,386	(4,663,316)	-	26,952,070
Net assets (deficit), end of year	\$ 35,586,107	\$ 8,146,219	\$ (998,244)	\$ (6,361,955)	\$ 36,372,127	\$ (6,024,069)	\$ -	\$ 30,348,058