




Theatre Development Fund, Inc.

Independent Auditor's Report and Financial Statements

June 30, 2024 and 2023



Theatre Development Fund, Inc.
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June 30, 2024 and 2023

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Theatre Development Fund, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Theatre Development Fund, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Theatre Development Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Theatre Development Fund, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Theatre Development Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Theatre Development Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Forvis Mazars, LLP

**New York, New York
September 26, 2024**

Theatre Development Fund, Inc.
Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,670,047	\$ 1,825,643
Accounts receivable	108,568	127,408
Contributions receivable	381,068	1,009,970
Employee retention credit receivable	116,556	802,200
Investments	8,864,088	7,734,074
Prepaid expenses and other assets	396,516	170,023
Property and equipment, net	962,013	1,111,306
Right-of-use assets - operating leases	3,661,080	4,426,286
Total Assets	<u>\$ 16,159,936</u>	<u>\$ 17,206,910</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 961,761	\$ 1,075,870
Due to theatres	934,153	1,095,458
Deferred revenues	149,586	274,256
Gift and credit redemptions outstanding	1,327,976	1,145,640
Accrued pension liability	390,335	473,875
Operating lease liabilities	4,333,251	5,162,381
Total Liabilities	<u>8,097,062</u>	<u>9,227,480</u>
Net Assets		
Without donor restrictions	6,977,322	6,588,552
With donor restrictions	1,085,552	1,390,878
Total Net Assets	<u>8,062,874</u>	<u>7,979,430</u>
Total Liabilities and Net Assets	<u>\$ 16,159,936</u>	<u>\$ 17,206,910</u>

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

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

Theatre Development Fund, Inc.
Statement of Activities
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, and Other Support			
TKTS service and handling charges	\$ 4,215,524	\$ -	\$ 4,215,524
Ticket distribution service and handling charges	3,606,622	-	3,606,622
Memberships	3,803,984	-	3,803,984
Costume collection rental income	802,293	-	802,293
Grants and contributions	2,605,267	622,800	3,228,067
Forgiveness of lease liability	249,456	-	249,456
Net investment return	594,416	7,523	601,939
Other income	546,346	-	546,346
Net assets released from restrictions	359,500	(359,500)	-
Total Revenues, Gains, and Other Support	<u>16,783,408</u>	<u>270,823</u>	<u>17,054,231</u>
Expenses			
Program Services			
TKTS by TDF	3,634,117	-	3,634,117
TDF Membership Program	2,444,978	-	2,444,978
TDF Schools and Community Engagement	1,710,371	-	1,710,371
TDF Accessibility Programs	1,634,541	-	1,634,541
Costume Collection	1,509,339	-	1,509,339
Digital Strategy and Journalism	792,845	-	792,845
Outreach and Public Relations	565,973	-	565,973
Audience Research	99,099	-	99,099
Total Program Services	<u>12,391,263</u>	<u>-</u>	<u>12,391,263</u>
Administration	2,242,731	-	2,242,731
Fundraising	1,223,687	-	1,223,687
Total Supporting Services	<u>3,466,418</u>	<u>-</u>	<u>3,466,418</u>
Total Expenses	<u>15,857,681</u>	<u>-</u>	<u>15,857,681</u>
Change in Net Assets from Operations	925,727	270,823	1,196,550
Nonoperating Activity			
Pension-related changes other than periodic pension cost	369,137	-	369,137
Change in Net Assets	1,294,864	270,823	1,565,687
Net Assets, Beginning of Year	<u>5,293,688</u>	<u>1,120,055</u>	<u>6,413,743</u>
Net Assets, End of Year	<u>\$ 6,588,552</u>	<u>\$ 1,390,878</u>	<u>\$ 7,979,430</u>

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

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

Theatre Development Fund, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services								Supporting Services				
	TKTS by TDF	TDF Membership Program	TDF Schools and Community Engagement Programs	TDF Accessibility Programs	Costume Collection	Outreach and Public Relations	Digital Strategy and Journalism	Audience Research	Total	Administration	Fundraising	Total	Total
Salaries	\$ 2,181,406	\$ 783,416	\$ 801,644	\$ 390,272	\$ 457,660	\$ 357,934	\$ 399,917	\$ 59,251	\$ 5,431,500	\$ 946,242	\$ 629,212	\$ 1,575,454	\$ 7,006,954
Payroll taxes and employee benefits	884,635	301,779	179,828	154,117	176,061	127,696	152,215	19,525	1,995,856	321,446	182,678	504,124	2,499,980
	3,066,041	1,085,195	981,472	544,389	633,721	485,630	552,132	78,776	7,427,356	1,267,688	811,890	2,079,578	9,506,934
Security and professional fees	60,116	24,360	38,010	72,021	4,751	923	32,508	1,202	233,891	319,106	105,909	425,015	658,906
Advertising, marketing, and travel	3,954	507	7,177	9,343	8,124	21,328	7,322	23	57,778	19,544	5,750	25,294	83,072
Office expenses and occupancy	230,434	288,676	99,265	114,017	353,772	20,854	53,357	11,204	1,171,579	366,078	52,698	418,776	1,590,355
Equipment rental, maintenance, and technology	28,370	102,353	11,547	22,526	24,023	2,855	111,147	4,938	307,759	67,930	32,941	100,871	408,630
Printing, publications, postage, and shipping	-	42,384	2,419	5,512	36,415	7,825	758	142	95,455	7,317	62,635	69,952	165,407
Insurance	32,910	20,252	4,263	5,595	47,381	1,018	3,177	888	115,484	27,104	3,177	30,281	145,765
Ticket purchases	-	-	515,598	674,406	-	-	260	-	1,190,264	1,430	-	1,430	1,191,694
Subsidy expense	-	151,620	-	-	-	-	-	-	151,620	-	-	-	151,620
Costume cleaning and related expenses	-	-	-	-	148,577	-	-	-	148,577	-	-	-	148,577
Credit card fees	92,967	644,052	-	25,095	41,516	-	-	-	803,630	21,698	65,447	87,145	890,775
Grants	-	-	-	135,000	-	-	-	-	135,000	-	-	-	135,000
Leagues' Special Projects	-	-	-	-	-	-	-	-	-	20,000	-	20,000	20,000
Miscellaneous	14,553	78,619	49,180	25,197	161,996	23,860	28,584	1,926	383,915	122,436	79,160	201,596	585,511
Total Expenses Before Depreciation	3,529,345	2,438,018	1,708,931	1,633,101	1,460,276	564,293	789,245	99,099	12,222,308	2,240,331	1,219,607	3,459,938	15,682,246
Depreciation expense	104,772	6,960	1,440	1,440	49,063	1,680	3,600	-	168,955	2,400	4,080	6,480	175,435
Total Expenses	\$ 3,634,117	\$ 2,444,978	\$ 1,710,371	\$ 1,634,541	\$ 1,509,339	\$ 565,973	\$ 792,845	\$ 99,099	\$ 12,391,263	\$ 2,242,731	\$ 1,223,687	\$ 3,466,418	\$ 15,857,681

Theatre Development Fund, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ 83,444	\$ 1,565,687
Items not requiring (providing) operating cash flows		
Depreciation	247,457	175,435
Pension other than periodic pension cost	(83,540)	(369,137)
Noncash operating lease expense	765,206	742,295
Bad debt expense	60,558	83,526
Forgiveness of lease liability	-	(249,456)
Net realized and unrealized gains on investments	(967,246)	(430,351)
Changes in		
Accounts receivable	(41,718)	(51,461)
Contributions receivable	628,902	(515,326)
Other receivables	685,644	-
Prepaid expenses and other assets	(226,493)	121,963
Accounts payable and accrued expenses	(114,109)	349,840
Due to theatres	(161,305)	559,439
Deferred revenue	(124,670)	100,224
Gift certificate liability	182,336	169,213
Accrued pension liability	-	36,914
Change in operating lease liabilities	(829,130)	(778,906)
Net Cash Provided by Operating Activities	<u>105,336</u>	<u>1,509,899</u>
Investing Activities		
Purchase of property and equipment	(98,164)	(208,080)
Proceeds from sale of investments	3,783,924	1,124,147
Purchases of investments	(3,946,692)	(3,602,065)
Net Cash Used in Investing Activities	<u>(260,932)</u>	<u>(2,685,998)</u>
Net Change in Cash and Cash Equivalents	(155,596)	(1,176,099)
Cash and Cash Equivalents, Beginning of Year	<u>1,825,643</u>	<u>3,001,742</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,670,047</u>	<u>\$ 1,825,643</u>

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

Nature of Entity

Theatre Development Fund, Inc. (TDF or the Organization), a not-for-profit organization founded in 1967 to promote the performing arts, is a broadly-oriented service and advocacy organization dedicated to bringing the power of the performing arts to everyone. TDF's activities fall into three areas. TDF expands access, making the performing arts accessible to all by removing cultural, physical, and financial barriers. TDF cultivates communities of theatergoers by engaging, educating, and encouraging people to make the performing arts an essential part of their lives. TDF supports theatre makers, sustains creators, and advances the industry through convenings, research, and the TDF Costume Collection. Through its programs, TDF typically brings theatre into the lives of over 2,000,000 people per year, and oversees theatre and dance sales transactions of over \$85,000,000 annually. TDF's efforts are primarily focused in New York, but it has also been involved in audience development efforts for the performing arts across the United States and, on a limited basis, internationally.

Use of Estimates

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

Recently Adopted Accounting Guidance

Allowance for Credit Losses

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by TDF that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

TDF adopted the standard effective June 1, 2023. The impact of the adoption was not considered material to the financial statements.

Cash and Cash Equivalents

TDF considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of money market accounts with banks.

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

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which TDF has an unconditional right to receive. TDF provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. An allowance for credit losses was not considered necessary at June 30, 2024 and 2023.

Theatre Development Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Investments and Net Investment Return

TDF measures securities at fair value.

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

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

Property and Equipment

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

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

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

Leases

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

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

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

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

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

Costume Collection

The costume collection is not capitalized in as much as the items are cared for continuously. TDF's collection consists of donated costumes, a significant portion of which was originally acquired from Costume Collection, Inc. and the New York State Council on the Arts, and which also includes costumes that have been acquired through

Theatre Development Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

donations from others. TDF maintains such costumes and rents them primarily to not-for-profit organizations throughout the U.S. TDF has a policy to use proceeds from deaccessioned items for direct care of existing collections, which is cleaning, repair, and storage within appropriate conditions. No collection items were sold or removed in 2024 or 2023.

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

Due to Theatres

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

Contract Liabilities

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

Gift and Credit Redemptions Outstanding

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

Net Assets

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

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

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

Ticket Sale Service and Handling Charges and Costume Collection Rental Income

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

Theatre Development Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Contributions

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

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

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

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

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

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

Government Grants

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

Theatre Development Fund, Inc.
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Employee Retention Credit

During the year ended June 30, 2022, TDF participated in the Federal Government’s Employee Retention Credits (ERC) pandemic funding support program. The amount claimed of \$802,200 was included in grants and contributions on the statement of activities of that year. The amount outstanding at June 30, 2024 and 2023 is \$116,556 and \$802,200, respectively, and is included as employee retention credit receivable on the statements of financial position.

Laws and regulations concerning the employee retention credit are complex and subject to varying interpretation. These credits may be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge TDF’s claim to the employee retention credit, and it is not possible to determine the impact this would have on TDF.

Income Taxes

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

Functional Allocation of Expenses

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

Note 2. Contributions Receivable

Contributions receivable consisted of the following:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 137,943	\$ 243,125	\$ 381,068

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 371,670	\$ 438,300	\$ 809,970
Due within one to five years	-	200,000	200,000
	<u>\$ 371,670</u>	<u>\$ 638,300</u>	<u>\$ 1,009,970</u>

Theatre Development Fund, Inc.
Notes to Financial Statements
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Management has determined that all amounts are collectible and, therefore, no allowance for credit losses has been recorded as of June 30, 2024 and 2023.

Note 3. Disclosures About Fair Value of Assets and Liabilities

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

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

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

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

Theatre Development Fund, Inc.
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	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
June 30, 2023				
Mutual funds				
Equities	\$ 3,587,203	\$ 3,587,203	\$ -	\$ -
Fixed income	612,402	612,402	-	-
Fixed income				
U.S. government obligations	3,112,903	3,095,194	17,709	-
Corporate	297,332	297,332	-	-
Total investments reported on the fair value hierarchy	7,609,840	<u>\$ 7,592,131</u>	<u>\$ 17,709</u>	<u>\$ -</u>
Cash and cash equivalents	<u>124,234</u>			
Total investments	<u>\$ 7,734,074</u>			

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2024 and 2023.

Investments

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

Theatre Development Fund, Inc.
Notes to Financial Statements
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Note 4. Property and Equipment

Property and equipment at June 30, 2024 and 2023 consists of:

	<u>2024</u>	<u>2023</u>
Furniture, computers, and equipment	\$ 466,293	\$ 368,129
Leasehold improvements	2,665,072	2,665,072
Website and software application costs	<u>1,094,192</u>	<u>1,094,192</u>
	4,225,557	4,127,393
Less accumulated depreciation and amortization	<u>(3,263,544)</u>	<u>(3,016,087)</u>
	<u>\$ 962,013</u>	<u>\$ 1,111,306</u>

Theatre Development Fund, Inc.
Notes to Financial Statements
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Note 5. Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose		
Theatre accessibility programs	\$ 200,000	\$ 125,000
Costume library	127,750	127,750
Theatre education program	184,305	194,305
Promises to give, the proceeds from which have been restricted by donors for		
Theatre accessibility programs	<u>200,000</u>	<u>539,500</u>
	<u>712,055</u>	<u>986,555</u>
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	<u>43,125</u>	<u>98,800</u>
	<u>43,125</u>	<u>98,800</u>
Endowments		
Subject to appropriation and expenditure		
Restricted by donor		
Theatre education programs	32,372	7,523
Not subject to spending policy or appropriation		
Required to be maintained in perpetuity by donor		
Theatre education program	<u>298,000</u>	<u>298,000</u>
	<u>330,372</u>	<u>305,523</u>
	<u>\$ 1,085,552</u>	<u>\$ 1,390,878</u>

Net Assets Released From Restrictions

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

	<u>2024</u>	<u>2023</u>
Expiration of time restrictions	\$ 98,800	\$ 105,000
Satisfaction of purpose restrictions	<u>484,500</u>	<u>254,500</u>
	<u>\$ 583,300</u>	<u>\$ 359,500</u>

Theatre Development Fund, Inc.
Notes to Financial Statements
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Net Assets Without Donor Restrictions

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

	<u>2024</u>	<u>2023</u>	<u>2024 Change in Net Assets</u>
Undesignated	\$ (163,044)	\$ 397,810	\$ (560,854)
TDF Activity/Leagues' special projects (A)	477,391	456,816	20,575
Board-designated reserve (B)	6,091,297	5,096,495	994,802
Net investment in property and equipment	962,013	1,111,306	(149,293)
Related to accrued pension expense	<u>(390,335)</u>	<u>(473,875)</u>	<u>83,540</u>
Net assets without donor restrictions	<u>\$ 6,977,322</u>	<u>\$ 6,588,552</u>	<u>\$ 388,770</u>

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

(B) The board-designated reserve is primarily held available to support various TDF programs in the event of extraordinary circumstances and may not be used without the express approval of the Board of Trustees. The Board of Trustees has approved a policy to allow for annual appropriations to fund programmatic operations in an amount not to exceed 5% of the fair value of the reserve based on a rolling 16-quarter average fair market value. Appropriations during the years ended June 30, 2024 and 2023 were \$291,700 and \$235,000, respectively.

Note 6. Endowment

TDF launched a campaign to fund an endowment for the Wendy Wasserstein Project, a theatre education mentoring program for New York City high school students. Through June 30, 2024, TDF received \$298,000 for this endowment. TDF also has \$178,000 of additional donor-restricted funds raised in prior years in memory of Wendy Wasserstein totaling approximately \$178,000, and those funds may be used in conjunction with the endowment earnings. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

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The composition of net assets by type of endowment fund at June 30, 2024 and 2023 was:

	With Donor Restrictions	
	2024	2023
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 298,000	\$ 298,000
Accumulated investment gains	32,372	7,523
Total endowment funds	<u>\$ 330,372</u>	<u>\$ 305,523</u>

Change in endowment net assets for the years ended June 30, 2024 and 2023 was:

	With Donor Restrictions	
	2024	2023
Endowment net assets, beginning of year	\$ 305,523	\$ 298,000
Investment return, net	24,849	7,523
Endowment net assets, end of year	<u>\$ 330,372</u>	<u>\$ 305,523</u>

Note 7. Leases

Nature of Leases

TDF has entered into the following lease arrangements:

Operating Leases

TDF has leases for office space that expire in various years through 2031. These leases require TDF to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which ranges from a 2% to 5% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. During the year ended June 30, 2023, the lessor forgave \$249,456 of prior lease liabilities, and the amount was included as revenue on the statement of activities.

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

TDF has a lease for office equipment expiring on June 30, 2024. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

All Leases

TDF has no material related-party leases.

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

Theatre Development Fund, Inc.
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Quantitative Disclosures

The lease cost and other required information for the years ended June 30, 2024 and 2023 are:

	<u>2024</u>	<u>2023</u>
Lease cost		
Operating lease cost	\$ 901,182	\$ 901,182
Variable lease cost	72,068	42,500
	<u>\$ 973,250</u>	<u>\$ 943,682</u>
Total lease cost		
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 965,105	\$ 912,793
Weighted-average remaining lease term		
Operating lease liabilities	5.11 years	5.99 years
Weighted average discount rate		
Operating leases	2.89%	2.89%

Future minimum lease payments and reconciliation to the statements of financial position at June 30, 2024 are as follows:

	<u>Operating Leases</u>
2025	\$ 985,636
2026	932,170
2027	938,084
2028	954,880
2029	279,566
Thereafter	<u>573,211</u>
Total future undiscounted lease payments	4,663,547
Less imputed interest	<u>(330,296)</u>
Lease liabilities	<u>\$ 4,333,251</u>

Note 8. Revenue from Contracts with Customers

Ticket Sale Service and Handling Charges

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

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

Costume Collection Rental Income

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

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

Transaction Price and Recognition

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

From time to time, TDF will receive overpayments of customer balances resulting in amounts owed back to either the customers or third parties. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2024 and 2023, TDF had \$302 recorded as a liability for refunds.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the years ended June 30, 2024 and 2023, no additional revenue was recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

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

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

For the years ended June 30, 2024 and 2023, TDF recognized revenue of \$1,426,055 and \$1,269,647, respectively, from goods and services that transfer to the customer over time and \$7,980,378 and \$7,822,146, respectively, from goods and services that transfer to the customer at a point in time.

Theatre Development Fund, Inc.
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Contract Balances

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

	<u>2024</u>	<u>2023</u>
Accounts receivable, beginning of the year	\$ 108,130	\$ 103,017
Accounts receivable, end of the year	104,387	108,130
Contract liabilities, beginning of the year	274,256	174,032
Contract liabilities, end of the year	149,586	274,256

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

Note 9. Pension and Other Postretirement Benefit Plans

Defined Contribution Plan

TDF has a defined contribution plan covering substantially all eligible employees. After one year of service, TDF matches an eligible employee's contribution up to 4.5% of the employee's compensation. Contribution expense was \$157,617 and \$154,806 for the years ended June 30, 2024 and 2023, respectively.

TDF also maintains a defined contribution plan for all non-union employees. The Board of Trustees annually determines the amount, if any, of TDF's contributions to the plan. Contribution expense was \$139,359 and \$130,568 for the years ended June 30, 2024 and 2023, respectively.

Defined Benefit Plan

The Organization has a noncontributory defined benefit pension plan covering substantially all employees who meet the eligibility requirements. TDF's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as TDF may determine to be appropriate from time to time. The plan was amended to freeze all benefits effective June 30, 2009. TDF does not expect to contribute to the plan in 2025.

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

	<u>Pension Benefits</u>	
	<u>2024</u>	<u>2023</u>
Benefit obligation	\$ (4,665,794)	\$ (4,778,251)
Fair value of plan assets	4,275,459	4,304,376
Funded status	<u>\$ (390,335)</u>	<u>\$ (473,875)</u>

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Notes to Financial Statements
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Liabilities recognized in the statements of financial position:

	Pension Benefits	
	2024	2023
Pension plan liability	<u>\$ (390,335)</u>	<u>\$ (473,875)</u>

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

	Pension Benefits	
	2024	2023
Net gain (loss)	\$ (30,860)	\$ (328,273)
Amortization of net gain (loss)	-	(39,209)
Amortization of prior service cost	<u>(1,655)</u>	<u>(1,655)</u>
	<u>\$ (32,515)</u>	<u>\$ (369,137)</u>

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

	June 30	
	2024	2023
Accumulated benefit obligation	<u>\$ 4,665,794</u>	<u>\$ 4,778,251</u>
Fair value of plan assets	<u>\$ 4,275,459</u>	<u>\$ 4,304,376</u>

Other significant balances and costs are:

	Pension Benefits	
	2024	2023
Employer contributions	\$ 55,887	\$ 25,000
Participant contributions	-	-
Benefits paid	390,251	246,553
Net periodic benefit costs (credit)	4,862	61,914

The components of net periodic benefit cost (credit) other than the service cost component were \$4,862 and \$61,914 for the years ended June 30, 2024 and 2023, respectively, and are included in line item payroll taxes and employee benefits on the statements of functional expenses.

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Notes to Financial Statements
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Other changes in plan assets and benefit obligations recognized in change in net assets:

	Pension Benefits	
	2024	2023
Amounts arising during the period		
Net (gain) loss	\$ 3,207	\$ 21,050
Net prior service cost (credit)	-	-
Amounts reclassified as components of net periodic benefit cost of the period		
Net gain (loss)	-	39,209
Net prior service cost (credit)	1,655	1,655

Significant gains and losses related to changes in the defined benefit obligation for the years ended June 30, 2024 and 2023 were due to changes in the discount rate.

Significant assumptions include:

	2024	2023
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	5.35%	4.50%
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit costs:		
Discount rate	5.00%	5.00%
Expected return on plan assets	6.25%	6.25%
Rate of compensation increase	N/A	N/A

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

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TDF's overall investment strategy is to achieve long-term growth with a wide diversification of asset types, fund strategies, and fund managers. The target asset allocation percentages for 2024 and 2023 are as follows:

	Pension Benefits	
	2024	2023
	<i>Not to Exceed</i>	
Equity securities	49%	49%
Debt securities	45%	45%
Real estate	6%	6%
	<u>100%</u>	<u>100%</u>

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

Pension Plan Assets

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

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

The fair values of the TDF's pension plan assets at June 30, 2024 and 2023, by asset class, are as follows:

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

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	Total Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2023				
Mutual funds				
Large-cap	\$ 1,553,385	\$ -	\$ 1,553,385	\$ -
Small/mid-cap	186,814	-	186,814	-
International	534,849	-	534,849	-
Fixed income	1,712,737	-	1,712,737	-
Real estate fund	316,591	-	-	316,591
Total	\$ 4,304,376	\$ -	\$ 3,987,785	\$ 316,591

Transfers To and From Level 3

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

	2024	2023
	Significant Unobservable Inputs (Level 3)	Significant Unobservable Inputs (Level 3)
Purchases	\$ 4,471	\$ 2,000
Sales	(28,998)	(38,079)
Transfers in and/or out of Level 3	\$ (24,527)	\$ (36,079)

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at June 30, 2024 and 2023:

	Fair Value at 6/30/2024	Valuation Technique	Unobservable Inputs
Real estate fund	\$ 292,064	Assessed value	Real estate market records of underlying holdings

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	Fair Value at 6/30/2023	Valuation Technique	Unobservable Inputs
Real estate fund	\$ 316,591	Assessed value	Real estate market records of underlying holdings

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2024:

2025	\$ 610,000
2026	510,000
2027	360,000
2028	380,000
2029	540,000
2030-2034	1,900,000

Multiemployer Pension Plan

TDF contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If TDF chooses to stop participating in some of its multiemployer plans, TDF may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in these plans for the annual periods ended June 30, 2024 and 2023 is outlined in the table below.

- The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable.
- Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2024 and 2023 is for the plan's year-end at August 30, 2023 and 2022, respectively.
- The zone status is based on information the Organization received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone generally are less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.
- The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) either is pending or has been implemented.
- The last column lists the expiration date of the collective bargaining agreement to which the plans are subject.

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Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Imple- mented	Contributions of TDF			Surcharge Imposed	Expiration Date of Bargaining Agreement
		2024	2023		2024	2023	2022		
Treasurers and Ticket Sellers Local 751 Pension Plan	13-6164776/001	Green as of 8/30/2023	Green as of 8/30/2022	N/A	\$ 162,984	\$ 143,825	\$ 81,471	No	12/31/2025

Note 10. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 and 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 1,670,047	\$ 1,825,643
Accounts receivable, net	108,568	127,408
Contributions receivable	381,068	1,009,970
Employee retention credit receivable	116,556	802,200
Investments	<u>8,864,088</u>	<u>7,734,074</u>
	11,140,327	11,499,295
Less amounts not available to be used:		
Amounts restricted by donors for specific purposes or periods	(787,552)	(1,092,878)
Plus amounts with restrictions expected to be met within one year	453,125	577,300
Amounts restricted by donors for endowment Board-designated funds	(298,000)	(298,000)
Plus amounts appropriated by the board for use within one year	<u>227,567</u>	<u>291,700</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,644,170</u>	<u>\$ 5,880,922</u>

The board-designated reserve of \$6,091,267 and \$5,096,495 as of June 30, 2024 and 2023, respectively, is subject to board appropriation. Although TDF does not intend to spend from this board-designated reserve (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

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TDF manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. TDF has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. TDF has a policy to target a year-end balance of reserves without donor restriction and which are undesignated by the board to meet 60 to 120 days of expected expenditures. To achieve these targets, TDF forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves quarterly. During the years ended June 30, 2024 and 2023, the level of liquidity and reserves was managed within the policy requirements.

Note 11. Significant Estimates and Concentrations

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

Grants and Contributions

Approximately 14% and 19% of all grants and contributions were received from one donor and two donors in 2024 and 2023, respectively.

Pension Benefit Obligations

TDF has a noncontributory defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Investments

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

Note 12. Subsequent Events

Subsequent events have been evaluated through September 26, 2024, which is the date the financial statements were available to be issued.