THE JUILLIARD SCHOOL

Financial Statements

June 30, 2024 and 2023

(With Independent Auditors’ Report Thereon)

THE JUILLIARD SCHOOL

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
The Juilliard School:

Opinion

We have audited the financial statements of The Juilliard School (the School), which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of activities, 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 the School 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 U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the School'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 the School'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.

KPMG LLP

New York, New York
December 17, 2024

THE JUILLIARD SCHOOL

Balance Sheets

June 30, 2024 and 2023

Assets		**2024**	**2023**
Cash and cash equivalents	$	13,138,688	12,032,800
Receivables, net:			
Student tuition and fees		257,591	411,045
Student loans receivable		216,557	252,116
Other		5,656,254	7,327,959
Contributions and charitable trusts receivable, net (note 3)		64,076,279	15,698,479
Operating leases – right-of-use assets (note 15)		480,883	1,509,676
Prepaid expenses and other assets		14,934,812	15,253,801
Investments (notes 2 and 13)		1,415,588,189	1,362,048,356
Assets held pursuant to split-interest agreements (notes 12 and 13)		5,310,528	4,961,518
Property and equipment, net (note 4)		149,018,015	148,385,756
Collections (note 1(j))			
Total assets	$	1,668,677,796	1,567,881,506
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	$	26,541,204	27,258,645
Deferred revenues		929,817	1,075,673
Liabilities to annuitants (note 12)		2,567,668	2,693,450
Operating lease liabilities (note 15)		480,883	1,509,676
Bonds payable (note 6)		192,955,583	193,201,627
Fair value of derivative instruments (notes 7 and 13)		12,456,067	17,671,590
Federal loan capital advances		158,166	192,775
Total liabilities		236,089,388	243,603,436
Commitments and contingencies (notes 2, 5 and 10)			
Net assets (notes 8 and 9):			
Net assets without donor restrictions		275,146,350	272,040,422
Net assets with donor restrictions:			
Time or purpose restricted		597,947,293	551,561,237
Endowment fund		559,494,765	500,676,411
Total net assets		1,432,588,408	1,324,278,070
Total liabilities and net assets	$	1,668,677,796	1,567,881,506

See accompanying notes to financial statements.

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Statements of Activities

Years ended June 30, 2024 and 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating revenues and support:						
Tuition and fees, less financial aid grants of $32,049,358 and $30,679,770 in 2024 and 2023, respectively	$ 21,798,186	—	21,798,186	21,265,652	—	21,265,652
Government appropriations	1,208,407	—	1,208,407	2,189,831	—	2,189,831
Other educational and general revenues	15,506,918	—	15,506,918	14,792,864	—	14,792,864
Auxiliary enterprises revenues	9,169,851	—	9,169,851	8,698,771	—	8,698,771
Special events, less cost of direct benefits to donors of $423,382 in 2024 and $357,098 in 2023	1,183,917	—	1,183,917	1,505,220	—	1,505,220
Contributions	5,640,272	16,298,130	21,938,402	5,334,661	6,777,976	12,112,637
Investment return distributed in accordance with authorized spending rate and other distributed investment returns not subject to spending rate (note 2)	10,822,473	51,090,983	61,913,456	10,007,405	49,220,068	59,227,473
Other investment funds distributed (note 9)	8,723,263	—	8,723,263	9,006,834	—	9,006,834
Net assets released from restrictions	62,837,146	(62,837,146)	—	56,277,927	(56,277,927)	—
Total operating revenues and support	136,890,433	4,551,967	141,442,400	129,079,165	(279,883)	128,799,282
Expenses (notes 5 and 11):						
Educational and general	123,030,140	—	123,030,140	118,509,553	—	118,509,553
Auxiliary enterprises	8,108,520	—	8,108,520	7,264,368	—	7,264,368
Depreciation and amortization	13,597,007	—	13,597,007	12,364,015	—	12,364,015
Interest	8,375,370	—	8,375,370	8,095,261	—	8,095,261
Total expenses	153,111,037	—	153,111,037	146,233,197	—	146,233,197
Change in net assets from operating activities	(16,220,604)	4,551,967	(11,668,637)	(17,154,032)	(279,883)	(17,433,915)
Nonoperating activities:						
Contributions to endowment funds and funds functioning as endowment	800,401	66,426,749	67,227,150	2,278,278	28,247,545	30,525,823
Contributions for capital expenditures	—	—	—	—	825,000	825,000
Change in value of interests in and investment return on assets held under split-interest agreements	141,055	430,149	571,204	94,122	417,476	511,598
Excess (deficiency) of investment return over authorized spending rate (note 2)	24,231,681	35,320,956	59,552,637	2,224,686	(18,962,881)	(16,738,195)
Other investment funds distributed (note 9)	(8,723,263)	—	(8,723,263)	(9,006,834)	—	(9,006,834)
Change in fair value of derivative instruments (notes 7 and 13)	5,215,523	—	5,215,523	10,051,047	—	10,051,047
Other nonoperating expenses	(3,864,276)	—	(3,864,276)	—	—	—
Net assets released from restrictions, nonoperating activities	1,525,411	(1,525,411)	—	7,991,433	(7,991,433)	—
Change in net assets	3,105,928	105,204,410	108,310,338	(3,521,300)	2,255,824	(1,265,476)
Net assets at beginning of year	272,040,422	1,052,237,648	1,324,278,070	275,561,722	1,049,981,824	1,325,543,546
Net assets at end of year	$ 275,146,350	1,157,442,058	1,432,588,408	272,040,422	1,052,237,648	1,324,278,070

See accompanying notes to financial statements.

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Statements of Cash Flows

Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 108,310,338	(1,265,476)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized appreciation of investments	(121,316,766)	(42,695,980)
Change in fair value of derivative instruments	(5,215,523)	(10,051,047)
Depreciation and amortization	13,597,007	12,364,015
Amortization of deferred financing costs and unamortized bond premium	(246,044)	(246,044)
Contributions restricted for endowment	(66,426,749)	(28,247,545)
Contributions restricted for capital expenditure	—	(825,000)
Reduction in carrying amount of right-of-use assets-operating leases	1,028,793	845,765
Change in discount on long-term contributions receivable and change in valuation of charitable trusts receivable	(7,370,327)	(221,405)
Bad debt expense (recovery)	8,766	(12,705)
Loss on disposal of property/equipment	—	627,834
Changes in operating assets and liabilities:		
Receivables	1,860,718	(2,385,349)
Contributions and charitable trusts receivable	137,953	5,260,113
Prepaid expenses and other assets	(1,105,554)	(97,016)
Accounts payable and accrued liabilities	(1,170,370)	4,525,383
Operating lease liability	(1,028,793)	(845,765)
Deferred revenues	(145,856)	310,932
Net cash used in operating activities	(79,082,407)	(62,959,290)
Cash flows from investing activities:		
Purchases of investments	(382,984,899)	(498,554,063)
Proceeds from sales of investments	433,587,489	555,767,880
Change in accounts payable and accrued liabilities for capital	444,163	(1,929,197)
Purchases of property and equipment	(12,804,723)	(17,264,066)
Net cash provided by investing activities	38,242,030	38,020,554
Cash flows from financing activities:		
Contributions restricted for endowment	24,681,323	17,017,417
Contributions restricted for capital expenditure	—	825,000
Change in receivables for property and equipment	600,000	(375,000)
Change in assets held pursuant to split-interest agreements	(349,010)	(210,203)
Change in liabilities to annuitants	(125,782)	(124,377)
Federal loan capital advances	(34,609)	(62,133)
Net cash provided by financing activities	24,771,922	17,070,704
Net decrease in cash and cash equivalents	(16,068,455)	(7,868,032)
Cash and cash equivalents – beginning of year	70,725,865	78,593,897
Cash and cash equivalents – end of year	$ 54,657,410	70,725,865
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 14,623,082	14,579,362
Supplemental disclosure of end of year balances:		
Cash and cash equivalents per the Balance Sheet	$ 13,138,688	12,032,800
Investment related balances	41,518,722	58,693,065
Cash and cash equivalents – end of year	$ 54,657,410	70,725,865

See accompanying notes to financial statements.

(1) Organization and Basis of Presentation and Summary of Significant Accounting Policies

Organization and Basis of Presentation

The Juilliard School (the School) prepares talented students for professional careers in the performing arts of music, dance, and drama and is a fully autonomous constituent member of Lincoln Center for the Performing Arts (Lincoln Center).

The School is a Section 501(c)(3) organization that is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) and has been classified as an organization that is not a private foundation as defined in Section 509(a)(1) of the Code. In addition, the State of New York (the State) and New York City (the City) have classified the School as nonprofit in character, and as such, it is exempt from payment of income taxes to the State and City. The School qualifies for the maximum charitable contribution deduction by donors.

Under an arrangement between the Trustees of the Institute of Musical Art of the City of New York (IMA) and the School, the income from all investments of IMA, including the Eugene Delano Trust Fund, is used to support the School's operations. Certain of the Trustees of IMA also serve as Trustees of the School. The School consolidates IMA, as the School has control over IMA.

The Trustees of IMA delegated investment management authority over IMA's assets (an investment portfolio) to the School. These funds are commingled with the School's investment portfolio, although IMA remains a separate legal entity and separate financial records are maintained to record IMA activities. The management of IMA's investment portfolio and the method used to determine investment returns available for spending are identical to those of the School (see notes 2 and 9).

Summary of Significant Accounting Policies

(a) Net Asset Classifications

In the accompanying financial statements, the School's financial resources have been presented in two net asset classes (without donor restrictions and with donor restrictions) based upon stipulations imposed by donors:

Without donor restrictions: Net assets without donor restrictions include expendable resources over which the School's Board of Trustees has discretionary control and are used to carry out the School's operations in accordance with its bylaws. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenses are reported as decreases in net assets without donor restrictions since the use of restricted net assets in accordance with donors' stipulations results in the release of the restriction.

With donor restrictions: Net assets with donor restrictions include resources expendable only for those purposes specified by a donor or grantor or to be maintained in perpetuity. The restrictions are satisfied either by the actions of the School or the passage of time. The net assets to be maintained in perpetuity represent funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity, but permit the School to expend part or all of the income derived from those investments.

(b) Educational, General, and Auxiliary Enterprises Revenue

The School recognizes educational and general and auxiliary enterprises revenues (primarily tuition and room and board) based on the School's fulfillment of the contract with its customers. This revenue is derived from degree programs as well as non-degree and continuing education programs, recognized over time in accordance with the academic period of the programs. The School's academic calendar is structured such that program activities and services are completed within the fiscal year. Financial aid grants reduce the published price of tuition for students receiving such aid.

Other educational and general revenues primarily include revenues under a collaboration agreement for development and delivery of an arts curriculum in a global network of K-12 schools, and revenues and reimbursement of expenses in connection with the School's development of a performing arts institute in Tianjin, China in collaboration with partner organizations in China. Revenue under these agreements is recognized based on the School's fulfillment of the respective contracts.

Other receivables as of both June 30, 2024 and 2023 primarily represent receivables for the reimbursement of expenses in connection with the School's development of the performing arts institute in Tianjin, China.

(c) Contributions

Contributions, including unconditional promises to give, are recognized initially at fair value as revenues in the period received, as long as there is no right of return of the assets received and no indicators of barriers imposed by the donor. Fair values are measured based on the present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. Contributions received with donor stipulations that limit the use of the contributions are reported as net assets with donor restrictions. When a donor restriction expires (i.e., when a time restriction ends or purpose restriction is fulfilled), 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. Contributions that the donor requires to be used to acquire long lived assets (property and equipment) are reported as net assets with donor restrictions (restricted for time or purpose). Once the long-lived assets have been acquired or placed in service, the School reflects the expiration of the donor imposed restrictions.

Contributed services are recognized as revenue and expenses at their fair value when such services are rendered. There were no contributed services for the years ended June 30, 2024 and 2023.

(d) Cash and Cash Equivalents

Cash and cash equivalents are recorded at fair value and comprises highly liquid financial instruments with original maturities of three months or less at time of purchase. Short-term highly liquid investments are not considered cash and cash equivalents if purchased with resources from a donor-restricted endowment fund or other resources limited to long-term investment.

Substantially, all cash and cash equivalents are on deposit in one financial institution. The amount of cash and cash equivalents in the accounts at this bank may, at times, exceed federally insured limits.

(Continued)

(e) Investments

The School's investments in marketable equity and fixed-income securities are stated at fair value based on quoted market prices or published net asset values for alternative investment funds with characteristics similar to a mutual fund.

The School applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements* to investments in other alternative investments that do not have readily determinable fair values, including hedge funds, limited partnerships, and other funds. This guidance allows, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value, using net asset value per share or its equivalent, as reported by the investment managers. Accordingly, fair value is determined by the School's management for each investment based upon net asset values reported by the investment managers to the School.

Financial information used by the School to evaluate the net asset value of its alternative investments is provided by the investment manager or general partner and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The School reviews and evaluates the values provided and agrees with the valuation methods and assumptions used in determining the net asset values of these investments.

The financial statements of the investees are audited annually by independent auditors, although the timing for reporting the results of such audits does not typically coincide with the School's annual financial statement reporting.

(f) Measure of Operations

The School includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment income spending allocation and other investment funds distributed. This measure of operations provides a presentation that depicts the manner in which the School manages its financial activities. Investment return, including interest and dividends, net realized and unrealized gains and losses earned, in excess of (or less than) the School's aggregate authorized spending and other investment funds distributed, contributions to endowment funds and funds functioning as endowment, contributions for capital expenditures, changes in the value of interests in and investment returns on assets held under split-interest agreements, changes in fair value of interest rate swap agreements, and other nonrecurring items are recognized as nonoperating activities.

(g) Property and Equipment

Property and equipment are recorded at cost. Property and equipment expenditures in excess of $25,000 are capitalized. Depreciation and amortization of buildings, building improvements, and furniture, fixtures, and equipment are provided over their estimated useful lives that range from 3 to 40 years, using the straight-line method.

(h) Capitalized Interest

Interest costs incurred on bonds payable are capitalized as construction in progress during the construction period, net of interest earned on the unspent bond proceeds, in accordance with FASB ASC Subtopic 835-20, *Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*.

(i) Leases

The School accounts for lease arrangements for space and equipment by determining the appropriate treatment in accordance with FASB ASC Topic 842, *Leases*. Arrangements in which substantially all of the risks of ownership have been transferred to the School would be accounted for as finance leases. Arrangements which do not qualify for finance lease treatment but still provide the School the right to use the underlying asset are deemed to be operating leases. These leases are recorded on the balance sheets as “Right-of-use, lease assets” and “Right-of-use, lease obligations.” The School uses a risk free rate for discounting leases, as applicable, in the calculation of the right-of-use, lease assets and lease obligations.

(j) Deferred Financing Costs and Unamortized Bond Premium

Deferred financing costs and unamortized bond premium are being amortized on a straight-line basis over the term of the bonds payable.

(k) Collections

The School’s collections comprise rare instruments and music manuscripts that are held for educational and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections generally are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections.

The collections, which were acquired through purchases and contributions since the School’s inception, are not recognized as assets in the balance sheets. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the period in which the items are acquired. Contributed collection items are not reflected in the accompanying financial statements. Proceeds from deaccessions or insurance recoveries are used for the acquisition of new collection items or the direct care of existing collections.

The value of the School’s collections is periodically estimated for insurance purposes.

(l) Deferred Revenues

Deferred revenues are comprised primarily of tuition and fees received from students in advance of services provided and advance payments under a collaboration agreement for development and delivery of an arts curriculum in a network of K-12 schools. Payments received in advance of the School’s performance under the contract are recorded as deferred revenue and recognized as revenues as performance obligations are met.

(m) Derivative Instruments

The School records the fair value of its interest rate swap agreements based on the difference between market interest rates at the date of the agreements and interest rates in effect at the balance sheet date.

(n) Functional Expenses

The School presents expenses by function on the statements of activities. Expenses attributable to a specific functional area of the School are reported as expenses of those functional areas. Expenses by natural classification are recorded on a direct cost basis and attributed to the program or function for which the expense is incurred. Each functional classification displays expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on specific capital projects. Interest expense on external debt is allocated to the functional categories, which have benefited from the proceeds of the external debt (see note 11).

(o) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 and expenses during the reporting period. Estimates made in the preparation of the financial statements include the fair value of alternative investments, fair value of derivative instruments, allocation of functional expenses, useful life of property and equipment, and allowance for uncollectible accounts. Actual results could differ from those estimates.

(p) Taxes

The School recognizes the effect of income tax positions only if those tax positions are more likely than not to be sustained. Income generated from activities unrelated to the School’s exempt purpose is subject to tax under Internal Revenue Code Section 511. The School did not recognize any unrelated business income tax liability for the years ended June 30, 2024 and 2023. Section 4968 of the Tax Cuts and Jobs Act imposes a tax on applicable educational institutions equivalent to 1.4% of the institution’s net investment income for the year. The School determined that it meets the definition of an applicable educational institution and recorded approximately $2,178,000 and $506,000 of tax expense for the years ended June 30, 2024 and 2023, respectively, based on reasonable estimates under the regulatory guidance; approximately $550,000 and $325,000 of which is estimated to represent the current portion of the tax liability for the years ended June 30, 2024 and 2023, respectively.

(q) Related Parties

Members of the Board of Trustees, officers, and employees are subject to the School’s conflict of interest policies, under which business and financial relationships must be disclosed and are subject to review and approval. Disclosure about the School’s related party transactions, including with affiliated institutions, are described in the notes to the financial statements.

(2) Investments

Investments at fair value, including those of IMA, comprised the following at June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	$ 69,349,489	94,725,987
Fixed income	80,852,269	72,856,629
Domestic equity securities/funds	21,886	291,162
Alternative investments:		
Global equity	278,642,879	235,784,189
Credit	6,255,173	3,517,117
Multi-strategy	328,073,603	328,491,832
Private equity	650,983,094	624,942,217
Other investments	1,409,796	1,439,223
Total alternative investments	1,265,364,545	1,194,174,578
	$ 1,415,588,189	1,362,048,356

The School's investment objective is to invest its assets in a prudent manner in order to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value equal to or above inflation. The School uses a diversified investment approach incorporating multiple asset classes, strategies, and managers.

Alternative investments involve investing in nontraditional asset classes and in traditional asset classes structured in a nontraditional manner. Managers are expected to use their specific investment skills to generate long-term equity-like returns that are not highly correlated to traditional asset classes. Alternative investment strategies may be used to enhance investment returns and overall portfolio diversification. The School's alternative investment portfolio is invested in various investments intended to produce the combined or individual effects of reducing overall portfolio risk or to generate expected returns that exceed those available from domestic and international equities. Investments in alternative assets are made primarily via partnerships in which the School is a limited partner relying upon the expertise of experienced general partners.

Alternative investments may indirectly expose the School to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts, and other derivative products. While these financial instruments may contain varying degrees of risk, the School's risk with respect to such transactions is limited to its capital balance in each investment.

The limitations and restrictions on the School's ability to redeem or sell its alternative investments vary by investment and range from required notice periods (generally 10 to 180 days after initial lock-up periods) to longer lock-up terms. Private equity fund structures are usually subject to longer lock-up terms, with remaining fund lives ranging from 1 to 10 years with a series of possible one-year extensions.

The School has remaining commitments of approximately $321,000,000 for capital contributions to limited partnerships in which it has investments at June 30, 2024. This amount is based on total commitments to all private equity investments and may not be fully called.

The School has outsourced its investment office and transferred a portion of its investments to limited partnership vehicles established by the outsourced investment office. These limited partnership investments represent approximately 83% and 81% of the School's investments at June 30, 2024 and 2023, respectively.

The following tables summarize the School's investment return and classification thereof in the accompanying statements of activities for the years ended June 30, 2024 and 2023:

		2024	
	Without donor restrictions	With donor restrictions	Total
Interest and dividend income, net of investment expenses of approximately $3,800,000	$ 2,981,108	(653,635)	2,327,473
Net realized and unrealized appreciation	32,659,447	88,657,319	121,316,766
Excise tax on investment return	(586,401)	(1,591,745)	(2,178,146)
Total return on investments	35,054,154	86,411,939	121,466,093
Investment return distributed in accordance with authorized spending rate, including distribution from the IMA, and other distributed investment returns not subject to spending rate	(10,822,473)	(51,090,983)	(61,913,456)
Excess of investment return over authorized spending rate	$ 24,231,681	35,320,956	59,552,637

		2023	
	Without donor restrictions	With donor restrictions	Total
Interest and dividend income, net of investment expenses of approximately $5,100,000	$ 644,926	(1,357,210)	(712,284)
Net realized and unrealized appreciation	11,451,609	31,244,371	42,695,980
Excise tax on investment return	135,556	370,026	505,582
Total return on investments	12,232,091	30,257,187	42,489,278
Investment return distributed in accordance with authorized spending rate, including distribution from the IMA, and other distributed investment returns not subject to spending rate	(10,007,405)	(49,220,068)	(59,227,473)
Excess (deficiency) of investment return over authorized spending rate	$ 2,224,686	(18,962,881)	(16,738,195)

(3) Contributions and Charitable Trusts Receivable

Contributions receivable as of June 30, 2024 and 2023 are due to be collected as follows:

	2024	2023
Less than one year	$ 18,837,244	8,649,842
One to five years	36,278,597	6,868,750
More than five years	16,000,000	10,000
	71,115,841	15,528,592
Less discount on long-term contributions receivable (at discount rates ranging from 2.58% to 4.69%)	(7,695,856)	(376,633)
Total contributions receivable, at present value	63,419,985	15,151,959
Charitable trusts receivable, at present value	656,294	546,520
	$ 64,076,279	15,698,479

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. Conditional promises to give of approximately $3,025,000 and $6,125,000 at June 30, 2024 and 2023, respectively, contain measurable performance-related or other barriers and have not been reflected in the accompanying financial statements because the conditions on which they depend have not been met. Contributions and charitable trusts receivable include 66% due from

(Continued)

four donors in 2024, and 57% due from three donors in 2023. Contribution revenues include 67% received from four donors in 2024, and 25% received from three donors in 2023.

(4) Property and Equipment, Net

At June 30, 2024 and 2023, property and equipment, net of accumulated depreciation, and construction in progress balances were as follows:

	2024			
	Educational Building – 60 Lincoln Center Plaza	**Rose Building – 70 Lincoln Center Plaza**	**Other**	**Total**
Land	$ —	2,421,438	—	2,421,438
Building	—	33,308,239	—	33,308,239
Building improvements	233,648,074	18,081,928	—	251,730,002
Furniture, fixtures, and equipment	30,535,349	3,838,017	256,778	34,630,144
Musical instruments	6,745,910	327,845	—	7,073,755
	270,929,333	57,977,467	256,778	329,163,578
Less accumulated depreciation	(149,482,517)	(38,187,171)	(213,982)	(187,883,670)
Construction in progress	4,810,749	2,927,358	—	7,738,107
	$ 126,257,565	22,717,654	42,796	149,018,015

	2023			
	Educational Building – 60 Lincoln Center Plaza	**Rose Building – 70 Lincoln Center Plaza**	**Other**	**Total**
Land	$ —	2,421,438	—	2,421,438
Building	—	33,308,239	—	33,308,239
Building improvements	223,966,288	13,188,841	—	237,155,129
Furniture, fixtures, and equipment	28,607,423	3,838,017	256,778	32,702,218
Musical instruments	5,935,429	327,845	—	6,263,274
	258,509,140	53,084,380	256,778	311,850,298
Less accumulated depreciation	(139,002,214)	(36,516,408)	(192,584)	(175,711,206)
Construction in progress	8,529,937	3,716,727	—	12,246,664
	$ 128,036,863	20,284,699	64,194	148,385,756

(Continued)

The School participated with certain constituent members of Lincoln Center for the Performing Arts, Inc. (LCPA) in the development and construction of the Rose Building at Lincoln Center. In accordance with the terms of the participation agreement, the School underwrote a share of the Rose Building's development and construction costs and shares in the costs of operating the building. The Rose Building's property and equipment consist of the School's pro rata share of certain development and construction costs plus furnishings and musical instruments owned by the School.

The School also participated with constituent organizations of Lincoln Center in a capital renewal and expansion project managed by Lincoln Center Development Project, Inc. The project included expansion and renovation of 60 Lincoln Center Plaza, the School's educational building; renovations to 70 Lincoln Center Plaza, in which the School's residence hall and cafeteria facilities are located; renovations to buildings occupied by other constituent organizations of Lincoln Center; and refurbishment of shared facilities and public spaces at Lincoln Center. The School incurred construction and related costs related to this project of approximately $198,882,000, of which approximately $194,341,000 was capitalized. The project was funded with a combination of proceeds from tax-exempt bonds (see note 6) and contributions from donors and LCPA.

Title to 60 Lincoln Center Plaza and 70 Lincoln Center Plaza is in the name of LCPA.

(5) Pension Plan

The School sponsors a defined contribution plan (the Plan), under Section 403(b) of the Internal Revenue Code that covers employees of the School who receive a regular salary (except regular division faculty who work less than 300 hours per year, precollege and evening division faculty members, nonadministrative stage department personnel, enrolled students, and accompanists), have been employed by the School for at least two years, and have attained the age of 21. The entire cost of the Plan is paid by the School. Plan contributions equal to 10% of each participant's regular salary are applied as premiums to individual annuities issued to each participant by Teachers Insurance and Annuity Association and College Retirement Equities Fund.

The total pension expense for fiscal years 2024 and 2023 was approximately $4,014,000 and $3,802,000, respectively.

(6) Bonds Payable

As of June 30, 2024 and 2023, bonds payable consist of series that mature as follows and on which interest payments are due as follows:

Maturity	Interest	2024	2023
Series 2018A: Due January 1, 2039, with sinking fund installments due each January 1 from 2033 through 2039	Interest payable each January 1 and July 1, at fixed rates of 4% and 5%	$ 42,905,000	42,905,000
Series 2017A: Due January 1, 2036	Interest payable each January 1 and July 1, at a variable rate	12,000,000	12,000,000
Series 2017B: Due January 1, 2036, with sinking fund installments due each January 1 from 2032 through 2036	Interest payable each January 1 and July 1, at a variable rate	65,145,000	65,145,000
Series 2015A: Due April 1, 2036	Interest payable each January 1 and July 1, at a variable rate	44,000,000	44,000,000
Series 2015B: Due July 1, 2032, with sinking fund installments due each July 1 from 2030 through 2032	Interest payable each January 1, and July 1, at a variable rate	26,000,000	26,000,000
		190,050,000	190,050,000
Unamortized deferred financing costs		(637,355)	(733,893)
Unamortized bond premium		3,542,938	3,885,520
Total		$ 192,955,583	193,201,627

In April 2009, the School borrowed $194,995,000 through tax-exempt bonds issued by The Trust for Cultural Resources of the City of New York. Bond proceeds were used to repay in full the borrowings outstanding under a bridge line of credit facility of $160,000,000 that had been used to redeem bonds outstanding under a previous tax-exempt issue, to pay certain bond issuance costs, and to pay for project costs incurred in connection with the Lincoln Center redevelopment project, as described in note 4. The April 2009 bonds were refinanced with the issues listed above.

The Series 2015A and Series 2015B bonds were issued on June 25, 2015 and directly placed with two financial institutions through bond purchase and placement agreements on that date. Proceeds from the

Series 2015 bonds were used to refund Series 2009C bonds in the amount of $70,000,000 that had been previously outstanding. There are certain financial and other covenants associated with the Series 2015 bonds and as of June 30, 2024 and 2023, the School was in compliance with those covenants.

The Series 2017A and Series 2017B bonds were issued on July 26, 2017 and directly placed with two financial institutions through bond purchase and placement agreements on that date. Proceeds from the Series 2017 bonds were used to refund Series 2009B bonds in the amount of $77,145,000 that had been previously outstanding. There are certain financial and other covenants associated with the Series 2017 bonds and as of June 30, 2024 and 2023, the School was in compliance with those covenants.

On November 15, 2018, the School issued $42,905,000 of Series 2018A bonds. The proceeds, including a premium on the Series 2018A bonds, were used to refund $47,850,000 of Series 2009A bonds on January 1, 2019. The Series 2018A bonds were borrowed through tax-exempt bonds issued by The Trust for Cultural Resources of the City of New York with maturity dates from January 1, 2033 to January 1, 2039. Interest on $35,285,000 of the bonds is payable each January 1 and July 1 at a fixed rate of 5.0%, and interest on $7,620,000 of the bonds is payable each January 1 and July 1 at a fixed rate of 4.0%.

(7) Derivative Instruments

Effective October 1, 2009, the School entered into two interest rate swap agreements under an ISDA agreement with one counterparty. One swap has an initial notional amount of $35,000,000, to be reduced in increments over the period from July 1, 2029 through the termination date of July 1, 2036. In accordance with the terms of the swap and related agreement, the School pays an interest rate of 3.856% and received interest based on 67% of three-month USD LIBOR BBA. The second swap has an initial notional amount of $125,000,000, to be reduced in increments over the period from July 1, 2029 through the termination date of July 1, 2041. The School pays an interest rate of 3.646% on the notional amount of the swap and received interest based on 67% of three-month USD LIBOR BBA. Net receipts or payments under the swap agreements are recognized as an adjustment to interest expense. On June 30, 2023, the USD LIBOR cessation date, the School adhered to the ISDA 2020 IBOR Fallbacks Protocol in order to transition floating rate payments to be based on 67% (SOFR + 0.26161%) per the terms of the Protocol.

The aggregate estimated fair value of the derivative agreements approximated a liability of $12,456,000 and $17,672,000 at June 30, 2024 and 2023, respectively, and is recorded as a liability in the balance sheets. Changes in value of approximately $5,216,000 and $10,051,000 on these derivatives are reflected in the statements of activities for the years ended June 30, 2024 and 2023, respectively.

(8) Net Assets with Donor Restrictions – Time or Purpose Restricted

Net assets with donor restrictions (restricted for time or purpose) are restricted for the following purposes at June 30:

		2024	2023
Scholarships and student aid	$	171,580,848	151,362,422
Educational programs		128,668,535	118,907,007
Property and equipment renovations		675,000	1,275,000
Time restricted only (pledges) and accumulated gains on unrestricted endowments		297,485,910	280,016,808
	$	598,410,293	551,561,237

(9) Net Assets with Donor Restrictions – Endowment Fund – Corpus

Income from net assets with donor restrictions (endowment fund – corpus) is used to support the following purposes at June 30:

		2024	2023
Scholarships and student aid	$	265,162,696	239,069,664
Educational programs		185,905,339	172,637,546
Unrestricted		108,426,730	88,969,201
	$	559,494,765	500,676,411

The New York Prudent Management of Institutional Funds Act (NYPMIFA) imposes guidelines on the management and investment of endowment funds. The School has interpreted the relevant law as allowing the School to appropriate for expenditure or accumulate so much of an endowment fund as the School determines is prudent considering the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument and subsequent correspondence, if applicable.

Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC Topic 958-205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires that the original gifted amount, any additional gifts to that fund, and any resulting investment returns shall initially be classified as net assets with donor restrictions (endowment fund – corpus) until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The School's endowment consists of approximately 720 individual funds established for a variety of purposes including scholarships and student aid, educational programs, and other purposes. The endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowment. The School classifies as net assets with donor restrictions (endowment fund – corpus) as (a) the original value of the gifts donated to the endowment fund, (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in net assets with donor restrictions (endowment fund – corpus) is classified in net assets with donor restrictions (time or purpose). Donor-restricted amounts are reflected in net assets with donor restrictions (time or purpose) until those amounts are appropriated for spending and released from restrictions.

The School has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the School's programs while seeking to maintain the purchasing power of the fund. The School employs a long-term equity-oriented strategy of investing in both traditional and alternative asset classes. It seeks to maintain the inflation-adjusted value of the portfolio after distributions made to support the School's operating budget. Its goal is to reduce overall portfolio volatility by adhering to a diversified asset allocation mix and rebalancing policy. The School establishes an annual budget for appropriations from its endowment that is approved by the Board of Trustees. Long-term expected returns on endowment assets and the duration and preservation of the endowment funds are considered in determining budgets and appropriations for expenditure.

From time to time, the fair value of assets associated with individual donor restricted 'true' endowments may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were 7 funds that were underwater at June 30, 2024 with an original gift value of approximately $4,629,000 and a total deficiency of approximately $123,000. There were 25 funds that were underwater at June 30, 2023 with an original gift value of approximately $15,861,000 and a total deficiency of approximately $495,000. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions.

To preserve purchasing power, the School limits its spending of investment return to a percentage of a calculated base, unless otherwise specified by the donor. For the years ended June 30, 2024 and 2023, the School made available to be spent the weighted average of: (a) the funds' fiscal year 2023 and fiscal year 2022 spending distribution, respectively, increased by inflation (70% weight) and (b) 5% of the funds' investment fair value as of December 31, 2022 and 2021, respectively (30% weight). Approximately $59.0 million and $57.0 million was distributed in fiscal years 2024 and 2023, respectively, in accordance with the spending rate, including spending from funds with distribution requirements other than the standard spending rate. To the extent that ordinary investment income earned or accumulated is less than the spending rate, funds will be transferred from accumulated net realized and unrealized investment gains. The School also expends for operations a portion of the investment earnings on nonendowment investments.

At June 30, 2024 and 2023, the endowment composition (which excludes contributions receivable, charitable trusts receivable, and split-interest agreements) by type of fund consisted of the following:

	2024		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor-restricted funds	$ —	1,048,993,635	1,048,993,635
Board-designated funds	340,133,899	8,557,041	348,690,940
	$ 340,133,899	1,057,550,676	1,397,684,575

	2023		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor-restricted funds	$ —	987,389,411	987,389,411
Board-designated funds	323,957,049	8,670,579	332,627,628
	$ 323,957,049	996,059,990	1,320,017,039

Changes in endowment net assets for the years ended June 30, 2024 and 2023 consisted of the following:

	Year ended June 30, 2024		
	Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, beginning of year	$ 323,957,049	996,059,990	1,320,017,039
Investment return, net:			
Interest and dividends, net of expenses	(361,473)	(653,635)	(1,015,108)
Realized and unrealized depreciation in investments	32,660,129	88,657,318	121,317,447
Total investment return, net	32,298,656	88,003,683	120,302,339
Contributions and transfers	731,643	24,577,986	25,309,629
Appropriated and released from restrictions	(8,130,186)	(51,090,983)	(59,221,169)
Other investment funds distributed	(8,723,263)	—	(8,723,263)
Endowment net assets, end of year	$ 340,133,899	1,057,550,676	1,397,684,575

		Year ended June 30, 2023		
		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	328,194,813	999,176,595	1,327,371,408
Investment return, net:				
Interest and dividends, net of expenses		(1,552,373)	(1,357,210)	(2,909,583)
Realized and unrealized depreciation in investments		11,445,028	31,244,370	42,689,398
Total investment return, net		9,892,655	29,887,160	39,779,815
Contributions and transfers		2,686,520	16,216,303	18,902,823
Appropriated and released from restrictions		(7,810,105)	(49,220,068)	(57,030,173)
Other investment funds distributed		(9,006,834)	—	(9,006,834)
Endowment net assets, end of year	$	323,957,049	996,059,990	1,320,017,039

(10) Commitments and Contingencies

(a) Commitments

The School is a party to a lease with LCPA covering the School's educational building located at 60 Lincoln Center Plaza. The lease terminated in fiscal year 1999 and the School exercised an option to renew the lease for an additional 25-year term. The lease contains options to continue for two additional successive lease terms of 25 years each. It provides that rental charges will consist of the costs LCPA incurs in providing external security and certain other general services to the School which are variable costs. These costs were approximately $2,946,000 and $3,108,000 in fiscal years 2024 and 2023, respectively.

The School is a party to a lease with LCPA covering space used by the School for offices and for residence hall and cafeteria facilities in the Rose Building at Lincoln Center. The lease, which terminates in 2085 with options to continue thereafter for an unlimited number of lease terms, provides that rental charges will consist of the School's pro rata share of the costs LCPA incurs to operate the building. These pro rata costs were approximately $2,884,000 and $2,840,000 in fiscal years 2024 and 2023, respectively.

(b) Contingencies

The School is involved in various legal proceedings and claims arising in the normal course of business. Management of the School does not expect the ultimate resolution of these actions to have a material adverse effect on the School's financial position.

(11) Functional Expenses

Expenses presented below are by functional classification in accordance with the overall mission of the School. The primary categories of expenses by natural classification include compensation and benefits and other operating expenses. Other operating expenses include utilities, professional services, noncapitalized equipment, travel, supplies and materials, and information technology costs, no single category of which exceeds 3% of total expenses.

	2024			
	Educational and program	**Management and general**	**Auxiliary**	**Total**
Compensation and benefits	$ 72,365,893	18,903,305	1,125,224	92,394,422
Other operating expenses	20,612,061	10,863,721	7,268,456	38,744,238
Depreciation and amortization	8,724,233	3,354,173	1,518,601	13,597,007
Interest	6,049,529	2,325,841	—	8,375,370
Total expenses	107,751,716	35,447,040	9,912,281	153,111,037
Cost of direct benefits to donors	423,382	—	—	423,382
Total expenses, including cost of direct benefits to donors	$ 108,175,098	35,447,040	9,912,281	153,534,419

	2023			
	Educational and program	**Management and general**	**Auxiliary**	**Total**
Compensation and benefits	$ 67,343,788	15,939,574	771,317	84,054,679
Other operating expenses	18,860,149	16,168,205	6,690,888	41,719,242
Depreciation and amortization	7,894,830	3,262,363	1,206,822	12,364,015
Interest	5,728,207	2,367,054	—	8,095,261
Total expenses	99,826,974	37,737,196	8,669,027	146,233,197
Cost of direct benefits to donors	357,098	—	—	357,098
Total expenses, including cost of direct benefits to donors	$ 100,184,072	37,737,196	8,669,027	146,590,295

(12) Split-Interest Agreements

The School is the beneficiary of a number of split-interest agreements with donors, including charitable gift annuities and charitable remainder trusts.

Under the terms of the School’s charitable gift annuity agreements, the School controls donated assets and may share with the donor or donor’s designee income generated from those assets until such time as stated in the agreements (usually upon the death of the donor or the donor’s designee). These charitable gift annuity agreements are recorded as assets held pursuant to split-interest agreements (at fair value) in the accompanying balance sheets. The School records contribution income and a liability for amounts payable to annuitants based upon actuarial calculations at the time of the gift. Adjustments to the actuarial calculations for changes in assumptions are made and recognized annually. The discount rates used in the calculations at June 30, 2024 and 2023 ranged from approximately 1.2 to 8.0%.

Under the terms of the School's charitable remainder trust agreements, the School is not the trustee and does not exercise control over the assets contributed to the trusts. At the time a charitable remainder trust agreement is executed, the School recognizes as contribution revenue and as a receivable the present value of the estimated future benefits to be received by the School when the trust assets are distributed. Amounts receivable under charitable remainder trust agreements are invested in equity and fixed-income securities and are included in contributions and charitable trusts receivable in the accompanying balance sheets.

(13) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices or published net asset values (unadjusted), in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are other than quoted prices or published net asset values included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the School utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers nonperformance risk in its assessment of fair value.

The following methods and assumptions were used by the School for fair value measurements made in the accompanying financial statements:

Investments: Fair values of investments are determined as discussed in note 1.

Assets held pursuant to split-interest agreements: These assets represent investments in marketable securities, for which fair values are based on quoted market prices.

Interest rate swap agreements: The School's derivative instruments consist of over-the-counter (OTC) interest rate swap agreements which are not publicly traded on a public exchange. The interest rate swap agreements are valued based on income and market approach using Level 2 inputs from a third-party pricing model. The third-party pricing model incorporates such factors as the Treasury curve, SOFR, and the pay rate on the interest rate swap agreements. As such, the School categorized its interest rate swap agreements as Level 2.

The following tables summarize the School's assets and liabilities by major category in the fair value hierarchy as of June 30, 2024 and 2023, as well as related liquidity:

	June 30, 2024			
	Level 1	Level 2	Total	Redemption or liquidation
Investments:				
Cash and cash equivalents	$ 69,349,489	—	69,349,489	Daily
Fixed income	80,852,269	—	80,852,269	Daily
Domestic equity securities	21,886	—	21,886	Daily
	$ 150,223,644	—	150,223,644	
Investments measured at net asset value:				
Global equity			278,642,879	Monthly
Credit			6,255,173	Monthly
Multi-strategy			328,073,603	Quarterly
Private equity			650,983,094	Annually (2%)/locked-up (98%)
Other investments			1,409,796	Locked-up
Total investments measured at net asset value			1,265,364,545	
Total investments			1,415,588,189	
Assets held pursuant to split-interest agreements	$ 5,310,528	—	5,310,528	
Interest rate swap agreements	—	(12,456,067)	(12,456,067)	

	June 30, 2023			
	Level 1	Level 2	Total	Redemption or liquidation
Investments:				
Cash and cash equivalents	$ 94,725,987	—	94,725,987	Daily
Fixed income	72,856,629	—	72,856,629	Daily
Domestic equity securities	291,162	—	291,162	Daily
	$ 167,873,778	—	167,873,778	
Investments measured at net asset value:				
Global equity			235,784,189	Monthly
Credit			3,517,117	Monthly
Multi-strategy			328,491,832	Quarterly
Private equity			624,942,217	Annually (2%)/locked-up (98%)
Other investments			1,439,223	Locked-up
Total investments measured at net asset value			1,194,174,578	
Total investments			1,362,048,356	
Assets held pursuant to split-interest agreements	$ 4,961,518	—	4,961,518	
Interest rate swap agreements	—	(17,671,590)	(17,671,590)	

While the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

(14) Financial Assets and Liquidity

The School's financial assets and liquidity resources available for general expenditures within one year of the date of the balance sheets are as follows:

		2024	2023
Cash and cash equivalents	$	13,138,688	12,032,800
Student tuition and fees receivables		257,591	411,045
Other receivables		5,656,254	7,327,959
Contributions and charitable trusts receivable		18,837,244	8,649,842
Operating investments		39,576,464	58,693,065
Approved endowment payout for subsequent year		62,898,942	59,183,554
Total financial assets available within one year		140,365,183	146,298,265
Board designated endowment funds (net of approved endowment payout for subsequent year)		331,632,499	315,891,449
Total financial assets and board designated endowments available within one year	$	471,997,682	462,189,714

As part of the School's liquidity management, financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. In addition, the School invests cash in excess of daily requirements in short-term investments. Additionally, the School has board designated endowment funds of approximately $340 million and $324 million as of June 30, 2024 and 2023, respectively. Although the School does not intend to spend from its board designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment funds could be made available if necessary. However, board designated endowment funds contain investments with lock-up provisions and unfunded commitments that would reduce the total investments that could be made available (see notes 2 and 13 for disclosures about investments).

(15) Lease Obligations

The School is the lessee of various equipment and space under noncancelable right-of-use leases. Right-of-use lease obligations at June 30, 2024 and 2023 were approximately $481,000 and $1,510,000, respectively. Lease costs for fiscal years 2024 and 2023 totaled approximately $986,000 and $1,017,000, respectively, and included lease expense related to operating leases of approximately $480,000 and $435,000 for the fiscal years ended June 30, 2024 and 2023, respectively. The weighted average remaining lease term as of June 30, 2024 and 2023 was 2.04 and 1.90 years, respectively, and the weighted average discount rate was 2.53% and 1.50% as of June 30, 2024 and 2023, respectively.

Future minimum rental payments under right-of-use and finance leases are as follows:

At June 30, 2024:		
Lease payments due in 2025	$	297,519
Lease payments due in 2026		112,439
Lease payments due in 2027		92,043
Lease payments due in 2028-29		2,892
		504,893
Less present value discount		(24,010)
Operating lease liabilities, June 30, 2024	$	480,883
At June 30, 2023:		
Lease payments due in 2024	$	1,094,755
Lease payments due in 2025		249,105
Lease payments due in 2026		182,705
Lease payments due in 2027-28		20,244
		1,546,809
Less present value discount		(37,133)
Operating lease liabilities, June 30, 2023	$	1,509,676

The School subleases properties to customers under agreements that are classified as right-of-use leases. The School's lessor arrangements are all operating leases and do not include any sales-type or direct finance leases.

(16) Subsequent Events

The School has evaluated events and transactions occurring from the balance sheet date of June 30, 2024 through December 17, 2024, which is the date that the financial statements were issued, for disclosure and recognition in the financial statements.

Starting in fall 2024, the Juilliard Drama Master of Fine Arts (MFA) program will become tuition-free for all MFA students enrolled in the 2024-25 academic year and beyond. The School is combining existing scholarship funding that had been previously raised with a matching challenge grant and additional new gifts.