THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Elysabeth Kleinhans Theatrical Foundation, Inc.
(d/b/a 59E59 Theaters)

Opinion

We have audited the accompanying consolidated financial statements of The Elysabeth Kleinhans Theatrical Foundation, Inc. (d/b/a 59E59 Theaters) (a nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Elysabeth Kleinhans Theatrical Foundation, Inc. (d/b/a 59E59 Theaters) as of December 31, 2023 and 2022, and the changes in their net assets and their 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. 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 Elysabeth Kleinhans Theatrical Foundation, Inc. (d/b/a 59E59 Theaters) 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Elysabeth Kleinhans Theatrical Foundation, Inc.'s (d/b/a 59E59 Theaters) ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Elysabeth Kleinhans Theatrical Foundation, Inc.'s (d/b/a 59E59 Theaters) 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Elysabeth Kleinhans Theatrical Foundation, Inc.'s (d/b/a 59E59 Theaters) 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.

Lutz + Carr, LLP

New York, New York
September 13, 2024

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 413,977	$ 505,312
Accounts receivable	28,873	15,286
Accrued investment income	47,583	28,771
Inventory	7,654	17,996
Prepaid expenses and other current assets	25,471	49,680
Investments	21,140,745	19,093,188
Property and equipment, at cost, net of accumulated depreciation and amortization	23,273,878	23,646,831
Total Assets	$44,938,181	$43,357,064
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 85,614	$ 67,908
Deferred rental income	83,833	85,833
Box office payables	170,736	100,287
Total Liabilities	340,183	254,028
Commitment and Contingency		
Net Assets		
Without Donor Restrictions		
Property and equipment	23,273,878	23,646,831
Undesignated	135,656	334,110
Total Without Donor Restrictions	23,409,534	23,980,941
With Donor Restrictions	21,188,464	19,122,095
Total Net Assets	44,597,998	43,103,036
Total Liabilities and Net Assets	$44,938,181	$43,357,064

See notes to consolidated financial statements.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Changes in Net Assets Without Donor Restrictions		
Revenue, Gains and Other Support		
Box office receipts	$ 2,118,455	$ 974,542
Less: Outside attraction share	(2,118,455)	(974,542)
Net Box Office Receipts	-	-
Contributions	267,773	260,667
Theatre rental income	726,551	561,532
Theatre service fees and miscellaneous income	128,436	59,940
Reimbursed expenses	148,655	170,056
Concessions	40,339	396
Memberships	116,563	64,858
Net assets released from restrictions - accumulated investment earnings	792,200	474,612
Rental income - investment real estate	850,000	850,000
Total Revenue, Gains and Other Support	3,070,517	2,442,061
Expenses		
Program Services	2,767,202	2,355,168
Supporting Services		
Management and general	491,096	487,045
Total Expenses Before Depreciation and Amortization	3,258,298	2,842,213
Decrease in Net Assets Without Donor Restrictions Before Depreciation and Amortization	(187,781)	(400,152)
Depreciation and amortization	383,626	379,142
Decrease in Net Assets Without Donor Restrictions	(571,407)	(779,294)
Changes in Net Assets With Donor Restrictions		
Net investment income (loss)	2,858,569	(3,322,607)
Net assets released from restrictions - accumulated investment earnings	(792,200)	(474,612)
Increase (Decrease) in Net Assets With Donor Restrictions	2,066,369	(3,797,219)
Increase (decrease) in net assets	1,494,962	(4,576,513)
Net assets, beginning of year	43,103,036	47,679,549
Net Assets, End of Year	$44,597,998	$43,103,036

See notes to consolidated financial statements.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
		Supporting Services			Supporting Services	
	Program Services	Management and General	Total Expenses	Program Services	Management and General	Total Expenses
Salaries	$1,371,348	$ 330,688	$1,702,036	$1,052,764	$ 290,745	$1,343,509
Payroll taxes	123,788	32,907	156,695	96,413	26,627	123,040
Employee benefits	93,846	24,946	118,792	57,084	15,433	72,517
Production expenses	85,280	-	85,280	56,984	-	56,984
Advertising	357,531	-	357,531	453,201	-	453,201
Design and printing	234,199	-	234,199	178,887	-	178,887
Postage and delivery	79,348	-	79,348	35,446	-	35,446
Utilities	75,407	8,378	83,785	81,153	9,017	90,170
Insurance	47,414	5,268	52,682	43,878	4,875	48,753
Professional fees and consultants	2,900	44,399	47,299	31,236	80,601	111,837
Supplies	55,904	6,211	62,115	125,881	13,692	139,573
Repairs and maintenance	81,727	9,080	90,807	61,499	6,833	68,332
Equipment and rentals	20,304	1,069	21,373	25,298	3,184	28,482
Telephone	6,707	745	7,452	7,999	889	8,888
Licenses and permits	51,760	-	51,760	7,291	-	7,291
Security	7,076	786	7,862	2,680	298	2,978
Travel and accommodations	37,572	17,563	55,135	17,145	1,898	19,043
Miscellaneous	35,091	9,056	44,147	20,329	32,953	53,282
Depreciation and amortization	345,266	38,362	383,628	341,228	37,914	379,142
Total Expenses	3,112,468	529,458	3,641,926	2,696,396	524,959	3,221,355
Less: Depreciation and amortization expense shown separately in the statement of activities	(345,266)	(38,362)	(383,628)	(341,228)	(37,914)	(379,142)
Total Expenses Included in the Expense Section of the Statement of Activities	$2,767,202	$ 491,096	$3,258,298	$2,355,168	$ 487,045	$2,842,213

See notes to consolidated financial statements.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$1,494,962	$(4,576,513)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation and amortization	383,628	379,142
Unrealized (gain) loss on investments	(2,581,325)	3,119,450
Realized loss on ivestments	91,213	525,598
(Increase) decrease in:		
Employee retention credits receivable	-	182,372
Accounts receivable	(13,587)	(10,333)
Accrued investment income	(18,812)	9,631
Inventory	10,342	(5,471)
Prepaid expenses and other current assets	24,209	(6,996)
Increase (decrease) in:		
Accounts payable and accrued expenses	17,706	(103,665)
Deferred rental income	(2,000)	(6,250)
Box office payables	70,449	(44,664)
Net Cash Used By Operating Activities	(523,215)	(537,699)
Cash Flows From Investing Activities		
Payments towards acquisition of property and equipment	(10,675)	(141,371)
Purchase of investments	(7,247,544)	(8,906,019)
Proceeds from sale of investments	7,690,099	9,048,557
Net Cash Provided By Investing Activities	431,880	1,167
Net decrease in cash and cash equivalents	(91,335)	(536,532)
Cash and cash equivalents, beginning of year	505,312	1,041,844
Cash and Cash Equivalents, End of Year	$ 413,977	$ 505,312
Supplemental Disclosure		
Federal excise taxes paid	$ 7,800	$ 25,388

See notes to consolidated financial statements.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Elysabeth Kleinhans Theatrical Foundation (d/b/a 59E59 Theaters) (the "Foundation") was formed in 2001 to create and operate a theatrical complex in the building at 59 East 59th Street, New York City. Its aim is to provide new and well equipped theater space to not-for-profit theater companies at reasonable prices. The Foundation brings new and exciting theater, both American and foreign, to a new neighborhood and subsidizes worthy companies that cannot afford to pay the full cost of licensing. The Foundation encourages its neighbors to come to live theater on an ongoing basis as an alternative to movies and other forms of entertainment by offering reasonable ticket prices and membership discounts.

b - Principles of Consolidation

The accompanying consolidated financial statements include the accounts of 120 Broadway LLC (the "LLC"). The Foundation is the sole member of this entity, which is a company owning real estate, that was donated to the Foundation in 2006. All significant intercompany transactions and accounts have been eliminated.

c - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers money market funds and all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for those short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

d - Accounts Receivable

Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. The allowance for credit losses is insignificant at December 31, 2023.

e - Investments and Fair Value Measurements

The Foundation reflects investments at fair value in the consolidated statements of financial position. Realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Investments and Fair Value Measurements (continued)

The Foundation is required to use a framework for measuring fair value and make certain disclosures about fair value measurement. Fair value is a market-based measurement, not an entity-specific measurement, and is based on a fair value hierarchy with the highest priority being quoted prices in active markets. Fair value measurements are disclosed by level within that hierarchy. Financial instruments are categorized into a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

The value of the Foundation's investments, which are based on quoted market prices in active markets, are classified within Level 1. The value of the Foundation's investments which are based on quoted secondary market prices or alternative pricing sources supported by observable inputs are classified within Level 2.

f - Contributions

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributed property and equipment is recorded at fair value at the date of donation.

Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and recorded on the statement of activities as net assets released from restriction.

Membership revenue is collected at the commencement of the membership period. Membership revenue is primarily contribution revenue, and a portion represents an exchange transaction and entitles members to certain discounts and events over the course of the membership period. The Foundation recognizes membership revenue as contribution revenue in the year received since the substantial portion of the Foundation's performance obligations is completed by the end of each year and the value related to other membership benefits is de minimus.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Inventory
Inventory consists of concession goods and merchandise and is stated at the lower of cost, as determined by the first-in, first-out method, or net realizable value.

h - Property and Equipment
Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset.

i - Revenue Recognition
The Foundation has multiple revenue streams that are accounted for as exchange transactions including box office receipts, theatre rental income, theatre service fees and miscellaneous income, reimbursed expenses, concessions, memberships, and rental income. With the exception of memberships, which can be for a period of approximately one year, all of the Foundation's revenue from contracts with customers are from performance obligations with an initial expected duration of one year or less. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. The Foundation records deferred revenue in situations when amounts are collected, but the performance obligations have not yet been met.

Box office receipts, theatre service fees and miscellaneous income are recognized at the point in time in which the performance takes place. Reimbursed expenses are recognized when the expense is incurred. Theatre rental and rental income are recognized over the period that the rental takes place. Concession income is recognized when products are sold.

j - Lease
The LLC is the owner of a property (Note 7a) which it leases to another organization. The LLC has determined that the lease is an operating lease and recognizes income on a straight-line basis over the term of the lease.

k - Financial Statement Presentation
The consolidated financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of Foundation’s management and Board of Directors.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

k - Financial Statement Presentation (continued)

Net Assets With Donor Restrictions
Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

l - Advertising Costs
Advertising costs are charged to operations at the time the advertising occurs.

m - Functional Allocation of Expenses
The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable. A substantial portion of the Foundation's expenses are directly related to program activities of the theaters. The expenses that are allocated include salaries, advertising, design and printing, postage and other administrative costs, which are allocated based upon estimates of employee time and effort.

n - Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

o - Tax Status
The Foundation is a private operating foundation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. As a private foundation, it is subject to an annual Federal excise tax on net investment income, as defined. The Internal Revenue Code provides that the Foundation must make qualifying distributions based on the greater of the result of an income test and either an assets, endowment or support test.

120 Broadway LLC is a single-member limited liability company. As such, for tax purposes, its income and expenses are reported as part of the Foundation's return.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

p - Subsequent Events
The Foundation has evaluated subsequent events through September 13, 2024, the date that the financial statements are considered available to be issued.

q - New Accounting Standards
During 2023, the Foundation and the LLC adopted ASU 2016-13, Current Expected Credit Losses ('Topic 326"). The core principles of ASU 2016-13 (the "ASU") significantly change the way organizations recognize credit losses from the incurred loss model to the expected loss model for most financial assets. The financial asset held by the Foundation that is subject to the ASU was trade accounts receivable. The adoption of the ASU did not have a significant impact to net assets.

Note 2 - Information Regarding Liquidity and Availability

The Foundation operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of general expenditures during a given year are funded with contributions raised and program revenue earned during the year and appropriations of accumulated investment earnings from the Foundation's endowment. The Foundation considers general expenditures to consist of all expenses related to its ongoing program services, and the expenses related to general and administrative activities undertaken to support those services.

The Foundation regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2 - Information Regarding Liquidity and Availability (continued)

The Foundation's assets as of December 31, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	2023	2022
Financial Assets at Year End:		
Cash and cash equivalents	$ 413,977	$ 505,312
Accounts receivable	28,873	15,286
Accrued investment income	47,583	28,771
Investments	21,140,745	19,093,188
Total Financial Assets	21,631,178	19,642,557
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions for endowment:		
Accumulated investment earnings subject to appropriation	(2,689,144)	(622,775)
Perpetual in nature	(18,499,320)	(18,499,320)
Plus: Amount expected to be appropriated within one year	1,300,000	960,000
Financial Assets Available to Meet General Expenditures within One Year	$ 1,742,714	$ 1,480,462

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the Foundation's donor restricted endowment and accumulated investment earnings thereon. The Foundation has received endowment contributions totaling $18,499,320. Income from this endowment is not restricted for any specific purpose and may be appropriated for expenditure for use in the Foundation's general operations (Note 5). For the years ended December 31, 2023 and 2022, $792,200 and $474,612, respectively, of accumulated investment earnings were released from restriction for use in operations.

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 4 - Investments

Investments at December 31, 2023 and 2022 consist of the following:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Investment cash and money market funds	$ 1,411,939	$ 1,411,939	$ 1,201,831	$ 1,201,831
Domestic corporate bonds	2,269,025	2,213,367	2,136,089	1,900,080
Municipal bonds	137,900	123,183	137,900	116,369
Mutual funds - fixed income	4,227,112	4,053,524	6,311,804	6,000,920
Domestic common stock	4,986,517	8,756,887	4,139,715	5,702,162
U.S agency and treasury securities	4,177,831	3,791,519	3,492,440	3,056,068
Other equity investments	98,067	116,939	68,803	93,715
Asset-backed securities	781,373	673,387	1,134,950	1,022,043
	$18,089,764	$21,140,745	$18,623,532	$19,093,188

Net investment income (loss) for 2023 and 2022 is summarized as follows:

	2023	2022
Interest and dividend income	$ 458,910	$ 436,178
Realized loss on sale of investments	(91,213)	(525,598)
Unrealized gain (loss) on investments	2,581,325	(3,119,450)
Investment fees	(82,653)	(88,349)
Federal excise tax expense	(7,800)	(25,388)
Net Investment Income (Loss)	$2,858,569	$(3,322,607)

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 4 - Investments (continued)

The following summarizes investments by the levels within the fair value hierarchy used to measure their respective fair values:

	2023		
	Fair Value	Level 1 (Quoted Prices in Active Markets for Identical Assets)	Level 2 (Quoted Reasonably Available Observable Inputs)
Investment cash and money market funds	$ 1,411,939	$ 1,411,939	$ -
Domestic corporate bonds	2,213,367	-	2,213,367
Municipal bonds	123,183	-	123,183
Mutual funds - fixed income	4,053,524	4,053,524	-
Domestic common stock	8,756,887	8,756,887	-
U.S agency and treasury securities	3,791,519	-	3,791,519
Other equity investments	116,939	116,939	-
Asset-backed securities	673,387	-	673,387
	$21,140,745	$14,339,289	$6,801,456

	2022		
	Fair Value	Level 1 (Quoted Prices in Active Markets for Identical Assets)	Level 2 (Quoted Reasonably Available Observable Inputs)
Investment cash and money market funds	$ 1,201,831	$ 1,201,831	$ -
Domestic corporate bonds	1,900,080	-	1,900,080
Municipal bonds	116,369	-	116,369
Mutual funds - fixed income	6,000,920	6,000,920	-
Domestic common stock	5,702,162	5,702,162	-
U.S agency and treasury securities	3,056,068	-	3,056,068
Other equity investments	93,715	93,715	-
Asset-back securities	1,022,043	-	1,022,043
	$19,093,188	$12,998,628	$6,094,560

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 5 - Endowment Funds

The Foundation's endowment was established by contributions from its founder. Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Consistent with the New York State Not-for-Profit Corporation Law and the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), the Foundation retains in perpetuity (a) the original value of the gifts donated to the endowment (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not perpetual in nature is classified as an endowment subject to spending policy and appropriation until these amounts are appropriated for expenditure by the Foundation.

The Foundation's endowment fund is included in net assets with donor restrictions at December 31, 2023 and 2022. Changes in the Foundation's endowment funds for the years ended December 31, 2023 and 2022 are summarized as follows:

	2023		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$ 622,775	$18,499,320	$19,122,095
Net investment return	2,858,569	-	2,858,569
Appropriation for expenditure	(792,200)	-	(792,200)
Endowment Funds, End of Year	$2,689,144	$18,499,320	$21,188,464

	2022		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$4,419,994	$18,499,320	$22,919,314
Net investment loss	(3,322,607)	-	(3,322,607)
Appropriation for expenditure	(474,612)	-	(474,612)
Endowment Funds, End of Year	$ 622,775	$18,499,320	$19,122,095

Note 5 - Endowment Funds (continued)

The Foundation invests its endowment assets to provide a predictable stream of funding to operations, in a manner that is intended to produce current income while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation has adopted an investment policy which includes the investment objectives of both capital appreciation (realized and unrealized) and current income (interest and dividends).

The Foundation makes appropriations to fund operations. Appropriations totaled $792,200 and $474,612 for 2023 and 2022, respectively.

Note 6 - Property and Equipment

Property and equipment consist of the following at December 31:

	Life	2023	2022
Used in Operations:			
Building improvements	20-39 years	$ 9,480,992	$ 9,480,992
Building	39 years	4,160,000	4,160,000
Theatre equipment	5-7 years	341,795	341,795
Office equipment	3 years	73,417	73,416
Furniture and fixtures	7 years	239,962	233,688
Website	3 years	106,201	101,801
		14,402,367	14,391,692
Less: Accumulated depreciation and amortization		(7,168,489)	(6,784,861)
		7,233,878	7,606,831
Land		1,040,000	1,040,000
		8,273,878	8,646,831
Held for Investment:			
Land		15,000,000	15,000,000
		$23,273,878	$23,646,831

THE ELYSABETH KLEINHANS THEATRICAL FOUNDATION, INC.
(d/b/a 59E59 Theaters)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7 - Commitment and Contingency

a - The Foundation received a contribution from its founder and others of all the membership interests of 120 Broadway LLC, a limited liability company, which owns, leases and manages a property. Under the terms of an existing ground lease, the Foundation receives $850,000 in rental income per annum during the entire term of the lease. The lease has forty-two remaining renewal options each for successive periods of twenty-one years. The term of the lease currently runs through July 31, 2060.

b - The Foundation has been named as one of several defendants in sixty-five personal injury actions brought by workers and their spouses for alleged respiratory injuries suffered as a result of exposure to allegedly toxic dust while doing clean-up and other work at 120 Broadway, New York, NY, in the weeks and months following the attacks on the World Trade Center on September 11, 2001. Eight of these cases have never been served. Fifty-seven of these cases have been served and were all consolidated in U.S. District Court for the Southern District of New York. The Foundation is the ground lessor of 120 Broadway and is being defended and indemnified by the ground lessee, 120 Broadway Holdings, LLC. Fourteen of these fifty-seven cases have been involuntarily dismissed by the District Court for the Southern District of New York and have been affirmed by the United States Court of Appeals for the Second Circuit. All of the remaining forty-three cases have been dismissed without prejudice pending completion of documents effectuating settlements of the claims against the Foundation. Settlement documentation has been completed in forty-two of these cases and submitted to the court to be executed. None of the settlements required any payment by the Foundation. Upon completion, filing and court execution of these settlement documents, it is anticipated that all forty-three remaining actions against the Foundation will be dismissed without prejudice.

Note 8 - Concentration of Credit Risk

The Foundation maintains its cash and cash equivalents at a financial institution in New York. Certain cash balances are insured by the Federal Deposit Insurance Corporation. Cash balances commonly exceed federally insured limits.