AMERICAN THEATRE WING, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
American Theatre Wing, Inc.

Opinion

We have audited the accompanying financial statements of American Theatre Wing, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Theatre Wing, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 American Theatre Wing, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Theatre Wing, Inc.'s ability to continue as a going concern within one year after the date that the 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 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, including omissions, 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 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 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 American Theatre Wing, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Theatre Wing, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Lutz + Carr, LLP

New York, New York
June 17, 2026

AMERICAN THEATRE WING, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Cash and cash equivalents	$ 524,053	$ 1,279,869	$ 1,803,922	$ 433,691	$ 506,932	$ 940,623
Unconditional promises to give	11,445	1,309,160	1,320,605	201,080	425,000	626,080
Prepaid expenses and other current assets	112,797	-	112,797	157,748	-	157,748
Investment in TAP	1,236,023	-	1,236,023	80,037	-	80,037
Investments	11,865,641	1,271,637	13,137,278	11,250,219	642,695	11,892,914
Property and equipment, at cost, net of accumulated depreciation	100,264	-	100,264	22,772	-	22,772
Operating lease right-of-use asset	3,000,851	-	3,000,851	-	-	-
Security deposit	127,985	-	127,985	195,329	-	195,329
Total Assets	$16,979,059	$ 3,860,666	$20,839,725	$12,340,876	$ 1,574,627	$13,915,503
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	$ 258,125	$ -	$ 258,125	$ 282,625	$ -	$ 282,625
Operating lease liability	3,207,217	-	3,207,217	-	-	-
Deferred revenue	62,000	-	62,000	-	-	-
Total Liabilities	3,527,342	-	3,527,342	282,625	-	282,625
Commitments						
Net Assets						
Without Donor Restrictions						
Operating	1,352,468	-	1,352,468	1,134,594	-	1,134,594
Board-designated	12,099,249	-	12,099,249	10,923,657	-	10,923,657
Total Without Donor Restrictions	13,451,717	-	13,451,717	12,058,251	-	12,058,251
With Donor Restrictions	-	3,860,666	3,860,666	-	1,574,627	1,574,627
Total Net Assets	13,451,717	3,860,666	17,312,383	12,058,251	1,574,627	13,632,878
Total Liabilities and Net Assets	$16,979,059	$ 3,860,666	$20,839,725	$12,340,876	$ 1,574,627	$13,915,503

See notes to financial statements.

AMERICAN THEATRE WING, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
	Without Donor Restrictions		With Donor Restrictions	Total	Without Donor Restrictions		With Donor Restrictions	Total
	Operating	Board-Designated			Operating	Board-Designated		
Changes in Net Assets								
Revenue (Loss) and Support								
Government	$ 49,500	$ -	$ -	$ 49,500	$ 35,000	$ -	$ 25,000	$ 60,000
Foundations	55,000	-	35,000	90,000	99,000	-	12,500	111,500
Corporations	15,740	-	-	15,740	5,637	-	7,500	13,137
Individuals	958,291	-	1,921,800	2,880,091	661,133	-	614,413	1,275,546
Endowment	-	-	819,989	819,989	-	-	-	-
Fundraising benefits	1,650,655	-	-	1,650,655	1,210,899	-	-	1,210,899
Less: Direct benefit expenses	(491,395)	-	-	(491,395)	(458,055)	-	-	(458,055)
Spending policy	-	-	-	-	413,000	(413,000)	-	-
Net investment income	1,888	1,260,862	100,681	1,363,431	1,400	873,267	77,285	951,952
Program income	101,000	-	-	101,000	65,000	-	-	65,000
Equity net income in TAP	1,219,889	-	-	1,219,889	563,903	-	-	563,903
Other income	33,685	-	-	33,685	22,392	-	-	22,392
	3,594,253	1,260,862	2,877,470	7,732,585	2,619,309	460,267	736,698	3,816,274
Net assets released from restrictions								
Satisfaction of time and program restrictions	591,431	-	(591,431)	-	856,216	-	(856,216)	-
Total Revenue (Loss) and Support	4,185,684	1,260,862	2,286,039	7,732,585	3,475,525	460,267	(119,518)	3,816,274
Expenses								
Program Services	3,021,135	-	-	3,021,135	2,658,844	-	-	2,658,844
Supporting Services								
Management and general	807,347	-	-	807,347	647,122	-	-	647,122
Fundraising	224,598	-	-	224,598	287,189	-	-	287,189
Total Supporting Services	1,031,945	-	-	1,031,945	934,311	-	-	934,311
Total Expenses	4,053,080	-	-	4,053,080	3,593,155	-	-	3,593,155
Increase (Decrease) in Net Assets	132,604	1,260,862	2,286,039	3,679,505	(117,630)	460,267	(119,518)	223,119
Transfers	85,270	(85,270)	-	-	81,998	(81,998)	-	-
Net assets, beginning of year	1,134,594	10,923,657	1,574,627	13,632,878	1,170,226	10,545,388	1,694,145	13,409,759
Net Assets, End of Year	$1,352,468	$12,099,249	$ 3,860,666	$17,312,383	$1,134,594	$10,923,657	$ 1,574,627	$13,632,878

See notes to financial statements.

AMERICAN THEATRE WING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025 WITH COMPARATIVE TOTALS FOR 2024

	2025					2024
		Supporting Services				
	Programs Services	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	$ 840,726	$ 224,076	$ 102,262	$ 326,338	$1,167,064	$1,157,704
Employee benefits	80,756	44,740	5,855	50,595	131,351	157,232
Payroll taxes	51,979	18,625	5,518	24,143	76,122	79,070
Consultants and professional fees	88,541	376,558	21,386	397,944	486,485	456,690
Advertising, promotion and public relations	60,728	1,212	-	1,212	61,940	38,461
Grant expense	1,227,478	-	150	150	1,227,628	1,078,073
Office rent, utilities and storage expense	336,856	73,387	56,143	129,530	466,386	159,832
Insurance	26,553	3,064	4,426	7,490	34,043	38,890
Office expenses	47,105	42,644	26,594	69,238	116,343	59,034
Meetings, travel and hospitality	38,121	10,396	300	10,696	48,817	49,684
Program production and event expense	213,506	11,631	500	12,131	225,637	269,660
Bad debt expense	-	-	-	-	-	14,302
Total expenses before depreciation	3,012,349	806,333	223,134	1,029,467	4,041,816	3,558,632
Depreciation	8,786	1,014	1,464	2,478	11,264	34,523
Total Expenses, 2025	$3,021,135	$ 807,347	$ 224,598	$1,031,945	$4,053,080	
Percentages to Total, 2025	74%	20%	6%	26%	100%	
Total Expenses, 2024	$2,658,844	$ 647,122	$ 287,189	$ 934,311		$3,593,155
Percentages to Total, 2024	74%	18%	8%	26%		100%

* Contribution revenue for the year ended December 31, 2025 totaled $3,905,420. For every dollar spent on fundraising, $17.39 in contribution revenue was raised.

See notes to financial statements.

AMERICAN THEATRE WING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Programs Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries	$ 797,402	$ 204,213	$ 156,089	$360,302	$1,157,704
Employee benefits	117,540	17,301	22,391	39,692	157,232
Payroll taxes	53,953	13,635	11,482	25,117	79,070
Consultants and professional fees	116,933	317,476	22,281	339,757	456,690
Advertising, promotion and public relations	31,443	134	6,884	7,018	38,461
Grant expense	1,077,369	-	704	704	1,078,073
Office rent, utilities and storage expense	124,834	14,317	20,681	34,998	159,832
Insurance	30,334	3,500	5,056	8,556	38,890
Office expenses	18,784	28,311	11,939	40,250	59,034
Meetings, travel and hospitality	36,540	10,231	2,913	13,144	49,684
Program production and event expense	226,784	34,897	7,979	42,876	269,660
Bad debt expense	-	-	14,302	14,302	14,302
Total expenses before depreciation	2,631,916	644,015	282,701	926,716	3,558,632
Depreciation	26,928	3,107	4,488	7,595	34,523
Total Expenses	$2,658,844	$ 647,122	$ 287,189	$934,311	$3,593,155
Percentages to Total	74%	18%	8%	26%	100%

* Contribution revenue for the year ended December 31, 2024 totaled $2,213,027. For every dollar spent on fundraising, $7.71 in contribution revenue was raised.

See notes to financial statements.

AMERICAN THEATRE WING, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Increase in net assets	$3,679,505	$ 223,119
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Non-cash operating lease expense	244,262	121,907
Bad debt expense	-	14,302
Loss on disposal of property and equipment	6,327	-
Depreciation	11,264	34,523
Realized gain on investments	(371,544)	(13,184)
Unrealized gain on investments	(560,198)	(560,341)
Endowment contributions	(819,989)	-
Equity net income in TAP	(1,219,889)	(563,903)
(Increase) decrease in:		
Accounts receivable	-	12,095
Unconditional promises to give	(694,525)	87,318
Prepaid expenses and other current assets	44,951	(53,555)
Security deposit	67,344	(127,018)
Increase (decrease) in:		
Accounts payable and accrued expenses	(24,500)	(140,123)
Operating lease liability	(37,896)	(171,481)
Deferred revenue	62,000	(7,793)
Net Cash Provided (Used) By Operating Activities	387,112	(1,144,134)
Cash Flows From Investing Activities		
Distributions from TAP	63,903	569,745
Proceeds from sale of investments	2,088,687	2,031,668
Purchase of investments	(2,401,309)	(1,942,392)
Purchase of property and equipment	(95,083)	(22,772)
Net Cash Provided (Used) By Investing Activities	(343,802)	636,249
Cash Flows From Financing Activities		
Endowment contributions received	819,989	-
Net increase (decrease) in cash and cash equivalents	863,299	(507,885)
Cash and cash equivalents, beginning of year	940,623	1,448,508
Cash and Cash Equivalents, End of Year	$1,803,922	$ 940,623
Supplemental Disclosure and Cash Flow Information:		
Operating lease right-of-use asset obtained in exchange for lease liability	$ 3,245,113	$ -

See notes to financial statements.

AMERICAN THEATRE WING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

American Theatre Wing, Inc. (the "Organization"), a New York State corporation, is engaged in the furtherance of excellence in the theatre arts through media initiatives promoting the understanding of how theatre is made, educational programs for aspiring and early career theatre professionals and granting awards for excellence in theatre.

The Organization is the founder of the Antoinette Perry Awards ("TONY Awards") for the distinguished achievement in Broadway theatre and is the registered owner of the service mark "TONY" Awards. The Organization is also the registered owner of the service mark "OBIE Awards" which recognizes excellence on and off Broadway.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments, purchased with a maturity of three months or less, such as money market funds and short-term deposits, to be cash equivalents, except for amounts being managed within the investment portfolio.

c - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Accounting principles generally accepted in the United States establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

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

c - Fair Value Measurements (continued)
A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

d - Investments
The Organization reflects investments in marketable securities at fair value in the statement of financial position. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same fiscal year in which the gains and other investment income are recognized.

The Organization's alternative investments, consisting of investment funds, which do not have a readily determinable fair value, are reported in the financial statements based upon the underlying net asset value per share or its equivalent as a practical expedient, and are not required to be classified within the fair value hierarchy. The Organization reviews and evaluates the value provided by the fund managers and agrees with the valuation methods and assumptions used in determining the net asset value of these investments. The estimated fair value may differ significantly from the values that would have been used had a ready market for this security existed.

The Organization’s investment in Tony Awards Productions (“TAP”) is shared equally under a joint venture agreement and is recorded at cost, as the investment is nontransferable and is not subject to current market valuation. Annually, the Organization reflects its joint venture share of the net income or loss (Note 6).

e - Contributions and Promises to Give
Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other 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 without donor restrictions.

AMERICAN THEATRE WING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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

e - Contributions and Promises to Give (continued)
The Organization uses the allowance method to determine uncollectible promises to give. The determination of whether an allowance is necessary is based on prior years' experience and management's analysis of specific promises made.

Conditional promises to give that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

f - Property and Equipment
Property and equipment acquired are recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of $2,000. Lesser amounts are expensed. Furniture and equipment are being depreciated over the useful life of the related asset using the straight-line method and a monthly convention in the year of acquisition and disposition. Leasehold improvements are amortized using the straight-line method over the term of the respective lease.

g - Grants
Grants are recorded as expenses in the period the Board approves and recipients accept the award, and are generally payable within one year.

h - Operating Lease Right-of-Use Asset and Operating Lease Liability
For leases with an initial term greater than twelve months, the Organizations' operating lease liability is initially recorded at the present value of the unpaid lease payments. The Organization's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, prepayments and lease incentives, if any. Lease cost is recognized on a straight-line basis over the lease term.

i - Revenue Recognition
The Organization has revenue streams that are accounted for as exchange transactions, including program income and book sales. Program income is recognized at the point or over the period of time during which the program takes place. Revenue from book sales is presented net of returns and is recognized upon distribution to the customer. Deferred revenues are recorded for income that has been received but not yet earned. All of the Organization's revenue from contracts with customers is for a distinct performance obligation with a duration of less than one year and does not consist of multiple transactions.

AMERICAN THEATRE WING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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

j - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), which require the Organization 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 Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions

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

k - Estimates

The preparation of the 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.

l - Functional Allocation of Expenses

The 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 or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. Expenses that are allocated include salaries and employee benefits, which are allocated on the basis of estimates of employee time and effort. In addition, other expenses, including office rent, utilities, office supplies, technology related expenses, insurance and depreciation, are also allocated based on employee time and effort.

m - Tax Status

American Theatre Wing, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

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

m - Tax Status (continued)
The Organization reports its share of any income or loss from the joint venture operations as part of its activities (Note 6).

n - Subsequent Events
The Organization has evaluated subsequent events through June 17, 2026, the date that the financial statements are considered available to be issued.

o - Prior Year Information
For comparability, certain 2024 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2025.

Note 2 - Information Regarding Liquidity and Availability

The Organization 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 the annual revenue is generated through the Tony Awards and the annual gala in addition to contribution revenue raised during the fiscal year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities and also expenses related to general and administrative and fundraising activities which support the programs.

The Organization regularly monitors liquidity to meet operating needs and other commitments and obligations. Management prepares regular cash flow projections to determine liquidity needs and has an objective of maintaining liquid financial assets on an ongoing basis sufficient to cover 90 days of general expenses.

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's financial assets as of December 31 available within one year to meet cash needs for general expenditures are summarized as follows:

	2025	2024
Financial Assets at Year End:		
Cash and cash equivalents	$ 1,803,922	$ 940,623
Unconditional promises to give	211,445	626,080
Investment in TAP	1,236,023	80,037
Investments	13,137,278	11,892,914
Total Financial Assets	16,388,668	13,539,654
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(1,458,360)	(1,123,705)
Plus: Net assets with restrictions to be met in less than a year	795,292	696,042
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(1,293,146)	(450,922)
Plus: Amounts appropriated for use within one year	20,000	20,000
Board designated net assets	(12,099,249)	(10,923,657)
Plus: Amounts appropriated for use within one year	103,644	490,244
Financial Assets Available to Meet General Expenditures within One Year	$ 2,456,849	$ 2,247,656

In addition to these financial assets available within one year, the Organization maintains board designated net assets for specific purposes. However, the balance of these funds in excess of amounts already appropriated for use during one year could be made available at any time to meet cash needs for general expenditures at the discretion of the Board. The Organization also has a $1.3 million line of credit as more fully described in Note 11, which can be used for unanticipated liquidity needs.

Note 3 - Restrictions and Designations on Net Assets

a - Net Assets Without Donor Restrictions - Board Designated Net Assets
Board designated net assets consist of the following as of December 31:

	2025	2024
Program Development Fund	$ 9,077,475	$ 7,077,370
Jonathan Larson Grant Fund	936,341	858,792
Andrew Lloyd Webber Initiative Fund	2,085,433	1,984,195
Cash reserve	-	1,000,000
Other reserves	-	3,300
	$12,099,249	$10,923,657

The Organization maintains the Program Development Fund to fund its program activities. The Organization's spending policy allows up to 5% of the 3-year rolling average value of the investment portfolio to be appropriated to operations annually. There were no amounts appropriated pursuant to this spending policy in 2025.

During the year ended September 30, 2014, the Board approved a transfer to establish a Board Designated fund held for the same purpose as the donor-restricted Jonathan Larson Grant Fund described in Note 3b. These funds are invested together, and net investment earnings are allocated between the Board Designated and donor restricted portions. For the years ended December 31, 2025 and 2024, net investment income of $77,549 (2025) and $59,024 (2024) increased the balance of this Board Designated fund.

During the year ended September 30, 2018, the Board established a Board Designated fund to be held for the same purpose as the donor-restricted Andrew Lloyd Webber Initiative, to ensure its future stability and enhancement, with $1,003,400 raised through a matching grant of $500,000. The Organization draws from the fund annually at a rate of 5% of the value of the fund, to support this program. For the years ended December 31, 2025 and 2024, net investment income of $186,508 and $123,132, respectively, changed the balance of this Board Designated fund. In addition, expenses totaling $85,270 (2025) and $81,998 (2024) were covered by the fund.

In 2025, the cash reserve fund and other reserves were combined with the Program Development Fund.

Note 3 - Restrictions and Designations on Net Assets (continued)

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2025	2024
Operating:		
Andrew Lloyd Webber Initiative	$2,012,173	$ 445,864
Jonathan Larson Grant Fund	141,479	191,773
Future programs and periods	413,868	486,068
	2,567,520	1,123,705
Endowments - Career Advancement Fellowship Funds:		
Accumulated investment income above (below) original gift amount:		
Stewart Lane	7,913	(6,943)
Dorothy Strelsin	7,449	6,158
Gavin Creel	6,088	-
	21,450	(785)
Investment in perpetuity:		
Stewart Lane	201,707	201,707
Dorothy Strelsin	250,000	250,000
Gavin Creel	819,989	-
	1,271,696	451,707
Total Endowments	1,293,146	450,922
	$3,860,666	$1,574,627

The Jonathan Larson Grant Fund (the "Fund") was created by the Larson Foundation and certain of its officers (collectively, the “Foundation”) to continue the Foundation’s mission of annual grants to writers, composers, and lyricists in musical theater to improve or enhance the grantees’ literary, artistic, musical or similar capacity, skill and talent. The minimum funding required to establish the Fund was $750,000, and was fully funded during fiscal year 2012. The Fund is invested together with the Board Designated Jonathan Larson Grant Fund assets (Note 3a), and allocated net investment earnings are restricted to the purpose of the Fund.

For the years ended December 31, 2025 and 2024, new contributions to the Fund totaled $54,120 (2025) and $66,775 (2024), and net investment income of $58,446 (2025) and $44,484 (2024) further changed the balance of the Fund. Expenses covered by the Fund totaled $162,860 (2025) and $242,430 (2024).

In 2021, the Organization received a $201,707 contribution to establish an endowment for a career advancement fellowship. The Organization received other contributions of $250,000 (2022) and $819,989 (2025) to establish additional endowment funds for career advancement fellowships.

Note 4 - Concentration of Credit Risk

The Organization maintains its cash and money market balances in various financial institutions. Certain balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per institution.

Certain investment accounts are insured by the Securities Investor Protection Corporation ("SIPC") up to $500,000 per customer. The SIPC does not protect investors from market risk. Investment accounts are held with Morgan Stanley and are covered under an additional protection program. This coverage is subject to a firm wide cap of $1 billion with no per-client limit for securities and a $1.9 million per client limit for the cash portion of any remaining shortfall.

Note 5 - Unconditional Promises to Give

Unconditional promises to five at December 31, 2025 and 2024 are due within one year. Uncollectible promises to give are expected to be insignificant.

Note 6 - Investment in TAP

In 1986, the Organization entered into a joint venture agreement with The Broadway League, Inc. (the “League”, a not-for-profit trade association) creating Tony Award Productions (“TAP”) to administer, produce and present the American Theatre Wing TONY Awards (the “TONY Awards”). The joint venture agreement has been extended, and the term of the current extension is through 2027. The Organization and the League share income or losses from the joint venture.

Note 7 - Investments

Investments consist of the following as of December 31:

	2025				
	Cost	Fair Value	Level 1	Level 2	Measured at Net Asset Value
Money market funds and cash held for investment	$ 990,622	$ 990,622	$ 990,622	$ -	$ -
Mutual funds:					
Equities	6,018,702	6,515,350	6,515,350	-	-
Exchange traded funds and closed end funds:					
Equities	1,325,900	3,098,348	3,098,348	-	-
Corporate bonds	1,807,446	1,839,292	-	1,839,292	-
Investment fund - infrastructure	334,000	339,366	-	-	339,366
Investment fund - real estate income trust	356,714	354,300	-	-	354,300
	$10,833,384	$13,137,278	$10,604,320	$1,839,292	$693,666

	2024				
	Cost	Fair Value	Level 1	Level 2	Measured at Net Asset Value
Money market funds and cash held for investment	$ 1,055,424	$ 1,055,424	$1,055,424	$ -	$ -
Mutual funds:					
Equities	5,597,971	5,812,504	5,812,504	-	-
Exchange traded funds and closed end funds:					
Equities	1,407,066	3,010,679	3,010,679	-	-
Corporate bonds	1,745,448	1,675,910	-	1,675,910	-
Investment fund - real estate income trust	343,309	338,397	-	-	338,397
	$10,149,218	$11,892,914	$9,878,607	$1,675,910	$338,397

Note 7 - Investments (continued)

	2025	2024
Interest and dividend income	$ 490,115	$432,945
Realized gains	371,544	13,184
Unrealized gains	560,198	560,341
Investment fees	(58,426)	(54,518)
Net Investment Income	$1,363,431	$951,952

The investment funds in the Organization's investment portfolio using the net asset value are redeemable based on the following terms and conditions at December 31, 2025:

Infrastructure	
Quarterly redemption with up to 35 days' notice	$339,366
Real Estate Income Trust	
Subject to repurchase by the fund on a monthly basis, only at the fund manager's discretion	354,300
	$693,666

The following are descriptions of the investment strategies of these investments:

Infrastructure
The infrastructure investment has delivered consistent returns with both an appreciation and income component by investing in "pure play" infrastructure companies that derive revenue from owning, operating, and managing foundational physical or digital assets.

Real Estate Income Trust
The real estate income trust invests primarily in real estate, with over 4,500 properties in this fund. The goal is to achieve an investment return rate of approximately 4% as well as capital appreciation.

Note 8 - Endowment Funds

The Organization's endowments consist of the donor-restricted endowment funds described in Note 3b. Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 8 - Endowment Funds (continued)

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Organization classifies as net assets for investment in perpetuity (a) the original value of gifts donated to the permanent 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 endowment with donor restrictions that is not for investment in perpetuity is classified as endowment subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(i) the duration and preservation of the endowment fund;
(ii) the purposes of the Organization and the endowment fund;
(iii) general economic conditions;
(iv) the possible effect of inflation or deflation;
(v) the expected total return from income and the appreciation of investments;
(vi) other resources of the Organization.
(vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization; and
(viii) the investment policy of the Organization

The Organization's invested endowment funds, all of which are donor-restricted as of December 31 are summarized as follows:

	With Donor Restrictions		
	Investment Income (Loss) Above (Below) Original Gift Amount	Investment in Perpetuity	Total
Donor-restricted endowment funds, 2025	$21,450	$1,271,696	$1,293,146
Donor-restricted endowment funds, 2024	$ (785)	$ 451,707	$ 450,922

AMERICAN THEATRE WING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 8 - Endowment Funds (continued)

Changes in endowment funds for the years ended December 31 are summarized as follows:

	2025 With Donor Restrictions		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$ (785)	$ 451,707	$ 450,922
Contributions received	-	819,989	819,989
Net investment income	42,235	-	42,235
Appropriations	(20,000)	-	(20,000)
Endowment Funds, End of Year	$21,450	$1,271,696	$1,293,146

	2024 With Donor Restrictions		
	Investment Income Below Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$(13,586)	$451,707	$438,121
Net investment income	32,801	-	32,801
Appropriations	(20,000)	-	(20,000)
Endowment Funds, End of Year	$ (785)	$451,707	$450,922

The fair value of assets associated with individual donor restricted endowment funds may fall below the level required to be retained as a fund of perpetual duration. As of December 31, 2024, one fund with a combined original gift value of $201,707, had a fair value of $194,764 and was reported as net assets with donor restrictions. As of December 31, 2025, there were no such deficiencies.

The Organization is in the process of formulating an investment and spending policy for the endowments that will be reviewed and approved by the Board.

Note 9 - Property and Equipment

Property and equipment consist of the following at December 31:

	Life	2025	2024
Website	3 years	$145,000	$145,000
Leasehold improvements	Life of lease	30,331	15,175
Furniture, fixtures and equipment	5 years	79,927	7,597
Software and computers	3 years	6,190	6,190
		261,448	173,962
Less: Accumulated depreciation		(161,184)	(151,190)
		$100,264	$ 22,772

As of December 31, 2025, equipment with a cost basis of $7,597 and accumulated depreciation of $1,270 was disposed of due to damage. A loss on disposal in the amount of $6,327 has been included in other income in the accompanying financial statements.

Note 10 - Lease Liability

The Organization occupied office space under a lease agreement that expired December 2024. Operating lease costs on this lease for the year ended December 31, 2024 totaled $122,374. There were no variable lease costs incurred.

In October 2024, the Organization entered into a new lease for different office space for a term of ten years and ten months. The lease commenced in January 2025. Operating lease costs on this lease for the year ended December 31, 2025 totaled $393,795. There were no variable lease costs incurred. As of December 31, 2025, the remaining term of the Organization's operating lease is one hundred eighteen months, and the discount rate is 4.57%.

Maturities of the Organization's lease liability as of December 31, 2025 are as follows:

Year Ending December 31,	
2026	$ 213,461
2027	373,968
2028	384,437
2029	394,048
2030	437,602
Thereafter, through October 31, 2035	2,275,165
	4,078,681
Less: Amount attributable to interest	(871,464)
	$3,207,217

Note 11 - Line of Credit

The Organization has a $1.3 million line of credit from Morgan Stanley, collateralized by a portion of its investment portfolio. Borrowings bear interest at a variable rate, 5.90% as of December 31, 2025. There were no borrowings outstanding at December 31, 2025 and 2024.

Note 12 - Commitments

a - As described in Note 6, the Organization is a member of TAP, a joint venture for which it is jointly and severally liable. Certain obligations of TAP in any given year are subject to the existence of a contract with a television network for the broadcast of the TONY Awards for such year. The current television network agreement expires after the 2027 production of the TONY Awards. The television network has first negotiation and first refusal rights with respect to additional productions beyond 2027.

b - The Organization has awarded grants to five organizations totaling $1,000,000 for program support. As of December 31, 2025, $750,000 of expenses have been recognized on these grants. The balance totaling $250,000 has not been reflected in the accompanying financial statements since the recognition of the remaining expenses is subject to the completion of the programs.

Note 13 - Employee Benefit Plan

The Organization has a 403(b) retirement plan, which is not eligible for employer contributions. Employees may contribute through payroll deduction up to the annual limits as prescribed by law.