



CMS

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER

ANNUAL REPORT 2013

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER

70 Lincoln Center Plaza, 10th Floor

New York, NY 10023

P 212-875-5775

F 212-875-5799

www.ChamberMusicSociety.org



Paul Neubauer, Juho Pohjonen

ANNUAL REPORT 2013

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Dear supporters and friends,

CMS enjoyed a highly successful season in 2012-13. *Aftermath*, our 2012-13 season theme, explored how composers transform profound moments and life-changing events into enduring music. Inspired by the string quartets of Shostakovich, which comprised the CMS Winter Festival, the *Aftermath* theme wove through performances of works by Sibelius, Strauss, Ned Rorem, and others. CMS welcomed Season Composer Brett Dean, premiered new works by Joan Tower, Aaron Jay Kernis, and Mark Adamo, and awarded the Elise L. Stoeger Prize for chamber music composition to Zhou Long. It was a special pleasure to see twelve new CMS Two artists, selected through a rigorous audition process, join long-time CMS musicians, infusing CMS performances and educational programs with their artistry and youthful energy.

Ticket sales and subscriptions grew in 2012-13, continuing a steady upward trend. Audiences filled our halls throughout the season to hear the annual Baroque Festival, the Winter Festival: Complete Shostakovich Quartet Cycle, the Britten Centennial, the New Music series, the Inside Chamber Music lecture series, and special concerts, such as the collaborative *Cellists of Lincoln Center* program, which generated so much interest that CMS offered an encore concert in the Rose Studio. The presentation of all three *Meet the Music!* family concerts in Alice Tully Hall this season drew sold-out audiences and enabled more children than ever to enjoy the pre-concert Instrument Petting Zoo in the Alice Tully Hall lobby.

In all, CMS served some 25,000 audience members in the greater New York metropolitan area, presenting 50 concerts in Alice Tully Hall, the Rose Studio, the Kaplan Penthouse, and the Good Shepherd-Faith Presbyterian Church, and offering educational programs for over 8,500 people of all ages and backgrounds. CMS artists gave touring performances for an additional 25,000 listeners in 30 cities in the U.S. and abroad. The CMS national radio series and *Performance Today* broadcasts brought live recorded CMS performances to millions of listeners. By streaming more concerts and events on the internet than ever before, CMS made performances, lectures, and master classes accessible to listeners around the world, including those who might not have the opportunity or resources to attend concerts in person. I am pleased to report that CMS ended the season in sound financial health due to the prudent management of expenses and highly successful fundraising.

CMS also began to prepare for a transition in leadership, as Norma Hurlburt announced her plans to step down as Executive Director after serving in that position since 2002. I offer profound gratitude to Norma for leading the Chamber Music Society to its current heights of accomplishment with grace, vision, and unwavering focus on our mission. She leaves CMS perfectly poised for its next stage of growth under new Executive Director, Suzanne Davidson. Suzanne has had a long career as a leader of arts, entertainment, and education organizations including Lincoln Center, where she served as President of the School of American Ballet.

I thank our Artistic Directors, musicians, and the CMS staff for an outstanding season, and I extend deep appreciation to our loyal friends and supporters, who make all that we do possible.

Peter Frelinghuysen

ARTISTS OF THE SEASON 2012-2013

- SASHA COOKE mezzo-soprano
 - ALESSIO BAX piano
 - GLORIA CHIEN piano*
 - JEREMY DENK piano
 - GILBERT KALISH piano
 - SOYEON LEE piano*
 - ANNE-MARIE McDERMOTT piano
 - JUHO POHJONEN piano
 - GILLES VONSATTEL piano
 - WU HAN piano
 - ADAM BARNETT-HART violin
 - BENJAMIN BEILMAN violin*
 - NICOLAS DAUTRICOURT violin*
 - ANI KAVAFIAN violin
 - IDA KAVAFIAN violin
 - ERIN KEEFE violin
 - KRISTIN LEE violin
 - SEAN LEE violin*
 - DANIEL PHILIPS violin/viola
 - ALEXANDER SITKOVETSKY violin*
 - ARNAUD SUSSMANN violin
 - ARETA ZHULLA violin*
 - YURA LEE violin
 - BRETT DEAN viola
 - MARK HOLLOWAY viola
 - PAUL NEUBAUER viola
 - RICHARD O'NEILL viola
 - NICOLAS ALTSTAEDT cello
 - EFE BALTACIGIL cello
 - NICOLAS CANELLAKIS cello
 - TIMOTHY EDDY cello
 - DAVID FINCKEL cello
 - NAREK HAKHNAZARYAN cello
 - DANE JOHANSEN cello
 - JAKOB KORANYI cello
- MIHAI MARICA cello*
 - FRED SHERRY cello
 - KURT MUROKI double bass
 - SOOYUN KIM flute
 - TARA HELEN O'CONNOR flute
 - RANSOM WILSON flute
 - JAMES AUSTIN SMITH oboe*
 - STEPHEN TAYLOR oboe
 - JOSE FRANCH-BALLESTER clarinet
 - ROMIE DE GUISE LANGLOIS clarinet*
 - DAVID SHIFRIN clarinet
 - PETER KOLKAY bassoon
 - BRAM VAN SAMBEEK bassoon*
 - WILLIAM PURVIS horn
 - RADOVAN VLATKOVIC horn
 - IAN ROSENBAUM percussion*
- ESCHER STRING QUARTET
 - ADAM BARNETT-HART violin
 - AARON BOYD violin
 - PIERRE LAPOINTE viola
 - DANE JOHANSEN cello
- JERUSALEM QUARTET
 - ALEXANDER PAVLOVSKY violin
 - SERGEI BRESLER violin
 - ORI KAM viola
 - KYRIL ZLOTNIKOV cello
- ORION STRING QUARTET
 - DANIEL PHILLIPS violin
 - TODD PHILLIPS violin
 - STEVEN TENENBOM viola
 - TIMOTHY EDDY cello

*Member, Chamber Music Society Two

GUEST ARTISTS 2012-2013

- MICHELLE AREYZAGA soprano
 - KIERRA DUFFY soprano
 - DANIEL TAYLOR countertenor
 - ANTHONY GRIFFEY tenor
 - MATTHEW PLENK tenor
 - THOMAS HAMPSON baritone
 - KELLY MARKGRAF baritone
 - RANDALL SCARLATA baritone
 - INON BARNATAN piano
 - KENNETH COOPER harpsichord
 - KENNETH WEISS harpsichord
 - JORJA FLEEZANIS violin
 - DANIEL HOPE violin
 - BELLA HRISTOVA violin
 - JESSICA LEE violin
 - CHO-LIANG LIN violin
 - SERGEY MALOV violin
 - ELMAR OLIVEIRA violin
 - PHILIP SETZER violin
 - LILY FRANCIS viola
 - BETH GUTERMAN viola
 - ANDREAS BRANTELID cello
 - CARTER BREY cello
 - DORA FIGUEROA cello
 - JERRY GROSSMAN cello
 - DANE JOHANSEN cello
 - LI-WEI cello
 - EILEEN MOON cello
 - ALISA WEILERSTEIN cello
 - FREDERICK ZLOTKIN cello
 - EDGAR MEYER double bass
- RANDALL ELLIS oboe
 - ALEXANDER FITERSTEIN clarinet
 - HARRY SEARING bassoon
 - MICHELLE BAKER horn
 - ALEXANDRA COOK horn
 - RJ KELLEY horn
 - RJ KELLEY horn
 - JULIE LANDSMAN horn
 - JENNIFER MONTONE horn
 - JULIA PILANT horn
 - CALEB HUDSON trumpet
 - JUNE HAN harp
 - BRIDGET KIBBEY harp
 - AYANO KATAOKA percussion
- BRENTANO STRING QUARTET
 - MARK STEINBERG violin
 - SERENA CANIN violin
 - MISHA AMORY viola
 - NINA MARIE LEE cello
- DAEDALUS QUARTET
 - MIN-YOUNG KIM violin
 - MATILDA KAUL violin
 - JESSICA THOMPSON viola
 - THOMAS KRAINES cello
- JUPITER STRING QUARTET
 - NELSON LEE violin
 - MEG FREIVOGEL violin
 - LIZ FREIVOGEL viola
 - DANIEL McDONOUGH cello



Opening Night: Serenades (September 24, 2012)

REPORT ON THE SEASON



Ani Kavafian, Richard O'Neill, Ida Kavafian

In its 44th season, CMS presented over one hundred concerts worldwide — fifty in New York City and fifty-five in touring engagements across North America and around the globe —serving 25,000 audience members in the New York metropolitan area and 25,000 additional listeners in thirty other cities. CMS offered eighty-two education and community outreach events in the New York metropolitan area, attended by over 8,500 listeners of all ages and backgrounds, from elementary school students through adults. The CMS radio series and performances on American Public Radio's *Performance Today* show were broadcast nationally to some six million listeners. CMS welcomed Season Composer and violist Brett Dean; premiered new works by Joan Tower, Aaron Jay Kernis, and Mark Adamo; and awarded the Elise L. Stoeger Prize for chamber music composition to Zhou Long. Web activities and social media grew dramatically, attracting thousands of music lovers from dozens of countries. Twelve young musicians, selected through rigorous auditions, began their three-season CMS Two residency, infusing all CMS activities with their gifted musicianship and youthful vivacity.

With steady growth in ticket revenue, highly successful fundraising, and effective management of expenses, CMS ended the season with a modest surplus, as it has for each of the past seven years. CMS has built a very loyal audience, achieving a twelve percent increase in subscription revenue and an average paid capacity of eighty-five percent at our concerts. Looking toward the development of future audiences, CMS successfully launched *CMS Now*, a special membership program for young adults.

FESTIVAL HIGHLIGHTS

BAROQUE FESTIVAL

Pianist Jeremy Denk and eleven CMS artists gave a riveting performance of Bach's six Keyboard Concertos, achieving what *The New York Times* called "exhilarating results."

CMS renews the joy of hearing the Brandenburg Concertos each season by varying the artist roster and order of

presenting these beloved works. The CMS Brandenburg performances have become a New York holiday tradition.

This season's *Baroque Collection* concert offered both rare and well-known gems, showcasing winds, strings, and harpsichord.



Bach Keyboard Concertos (December 2, 2012)

WINTER FESTIVAL SHOSTAKOVICH: THE COMPLETE QUARTETS

The Winter Festival, the centerpiece of the season, was a milestone in CMS history. CMS proudly presented all fifteen string quartets by Shostakovich for the first time, and the response was tremendous. For all four concerts, sold-out audiences filled Alice Tully Hall to hear these intense works performed by the Jerusalem Quartet, three of whose members came from the former Soviet Union. The quartets, composed from the 1930s to the 1970s, tell the story of the composer's turbulent life and times in the intimate, powerful language of chamber

music. Educator Michael Parloff gave five multi-media lectures to overflowing audiences. Another first: CMS created an extensive Shostakovich Quartets website, which has drawn over 6,000 unique visitors and remains in place as a resource for all who are interested in Shostakovich and the quartets. Striking posters advertising the festival created "buzz" throughout New York City.



The Jerusalem Quartet

BRITTEN CENTENNIAL

Honoring the 100th anniversary of Benjamin Britten's birth, CMS presented a *Britten Centennial* of four concerts. The centerpiece, *Britten at 100*, a varied program of vocal and instrumental works performed by Daniel Taylor (countertenor), Gloria Chien (piano), Wu Han (piano), David Finckel (cello), the Orion String Quartet, and oboist James Austin Smith in Alice Tully Hall, culminated with the 1961 Cello Sonata

composed for Britten's close friend and collaborator, Mstislav Rostropovich. A three-concert series in the Rose Studio, curated and performed by the Escher String Quartet, illuminated Britten's three brilliant and unusual string quartets through three different lenses, presenting works alongside selections by other composers that provided perspective on his musical genius.



The Escher String Quartet

ALICE TULLY HALL HIGHLIGHTS

The fifteen string quartets of Shostakovich, which comprised the CMS Winter Festival, inspired the season title, *Aftermath*, an exploration of how composers transform profound moments in their lives into enduring works of music. This theme wove

through the season's programs, from Smetana's Trio in G minor to Ned Rorem's work, *Aftermath*, composed after 9/11. CMS also presented many concerts that were inspired by or devoted to individual composers.

OPENING NIGHT SERENADES

In the tradition of serenading friends on festive occasions, CMS welcomed audiences to the new season with a variety of works

in this genre by Mozart, Strauss, Kodály and Dvořák which were, at turns, genial and entrancing.



Ani Kavafian, Benjamin Beilman, Paul Neubauer

DVOŘÁK AND BRAHMS

David Finckel (cello) and Wu Han (piano) performed Brahms' Sonata No. 1 in E minor for Cello and Piano. Violinist Philip Setzer joined them in the performance of two cherished Dvořák trios, the folk-tinged

"Dumky Trio" and the heroic Trio in F minor. The artists also treated audiences to the Allegro movement of Haydn's Trio in A major for Piano, Violin, and Cello, Hob. XV:18 as an encore.



Philip Setzer, David Finckel, Wu Han

LOVE SONGS

CMS celebrated the art of vocal chamber music with a rich and varied program of works inspired by poetry. Soprano Michelle Areyzaga, mezzo-soprano Sasha Cooke, tenor John Bellemer, and baritone Kelly Markgraf gave luminous, expressive performances of works by Schubert,

Schumann, Brahms, Berg, and the less well-known composer Viktor Ullmann, who perished at Auschwitz. Their voices were beautifully complemented by instrumentalists Wu Han (piano), Gilbert Kalish (piano), and Paul Neubauer (viola).

SCHUMANN & MENDELSSOHN

This concert paid homage to two of the most important composers of the Romantic era, who were born a year apart. Two works by Schumann, the Piano Quartet in E-flat major and his late work, *Märchenbilder*, were paired with Mendelssohn's Piano Quartet in B minor, which launched the 16-year-old's career. The

musicians, pianist Juho Pohjonen, violinist Erin Keefe, violist Paul Neubauer, and cellist Narek Hakhnazaryan, reprised their moving performance in a CMS studio recording that will be the cover CD of BBC Magazine in March 2014, and will be offered later as the next CMS Studio release.



Erin Keefe, Paul Neubauer, Juho Pohjonen, Narek Hakhnazaryan

DEATH AND THE MAIDEN

Season Composer Brett Dean wrote *Epitaphs* for Two Violins, Two Violas, and Cello (2010) specifically for the Orion String Quartet. Mr. Dean performed this work for string quartet and viola, dedicated to the memory of dear

friends, with the Orions in a program that also featured two late quartets by Schubert, the Quartet in A minor for Strings, D. 804 and the Quartet in D minor for Strings, D. 810, subtitled "Death and the Maiden."

THE CELLISTS OF LINCOLN CENTER

This historic collaboration brought together cellists from The MET Orchestra, New York Philharmonic, New York City Ballet, Juilliard, and CMS for the first time in an all-cello program that CMS Artistic Director David Finckel described as “a virtual parade of styles, timbres, tonalities, and ensembles.” To accommodate overwhelming demand for

tickets, CMS gave an extra performance in the Rose Studio, which was streamed live on the web for the enjoyment of listeners worldwide. Cellists Nicolas Altstaedt, Carter Brey, Dorothea Figueroa, David Finckel, Jerry Grossman, Eileen Moon, Fred Sherry, and Frederick Zlotkin performed works by eleven composers.



The Cellists of Lincoln Center (April 21, 2013)

THOMAS HAMPSON AND THE JUPITER STRING QUARTET

Thomas Hampson's masterful interpretive prowess and the Jupiter String Quartet's effulgent artistry joined seamlessly in the New York premiere of Mark Adamo's *Aristotle* for Baritone and String Quartet. The work was a new CMS co-commission

(with Music Accord). Mr. Adamo set the poem *Aristotle* by former Poet Laureate Billy Collins to music. The poem traces the arc of life in terms reminiscent of concepts from Aristotle's *Poetics*. The artists also performed works by Hugo Wolf.

“A classical musician's growth is greatly affected by the support of the surrounding community. So many aspects of our development can happen only through contact with inspired music making and the trust of our mentors. The experience of CMS Two allows musicians to realize their goals on all levels: perfecting our musical understanding, gaining mainstage performing experience with the best chamber musicians, and learning how to present ourselves in today's new media environment. It has been a true pleasure to experience CMS from behind the curtain, as I enjoy learning chamber music from a human perspective and absorbing great artists' visions. Their trust and support have the most influence and impact on an artist's path. I feel grateful for receiving it.” —Romie de Guise-Langlois, CMS Musician

MOZART CELEBRATION

CMS drew the season to a close with a light-filled program of Mozart masterworks, featuring the exquisite Third Piano Trio, the charming Horn Quintet, and the exuberant C major Viola Quintet, performed by a signature intergenerational mix of young and long-time CMS musicians, including pianist

Soyeon Kate Lee, violinists Benjamin Beilman and Ani Kavafian, violists Lily Francis and Paul Neubauer, cellist Timothy Eddy, and hornist Radovan Vlatković. *Live From Lincoln Center* media produced a four-camera video recording of this concert for streaming on the Lincoln Center website.



Ani Kavafian, Soyeon Kate Lee; Radovan Vlatković, Paul Neubauer

ROSE STUDIO CONCERTS/LATE NIGHT ROSE



Arnaud Sussmann, Areta Zhulla, Soyeon Kate Lee, Mark Holloway

The Daniel and Joanna S. Rose Studio offers an intimate concert setting where musicians perform in close proximity to their listeners, as in chamber music's earliest days. The series invites listeners to savor and rediscover treasures of the traditional repertoire, and provides a showcase for the talented young musicians of CMS Two, who collaborate with long-time CMS colleagues.

The performance of Korngold's Quintet in E major inspired a decision to release the performance on the *CMS Live!* label. The five concerts of the series are performed twice each evening, at 6:30 pm with traditional seating and at 9:00 pm with café-style seating, complimentary wine, and hosting by musical raconteur Patrick Castillo.

NEW MUSIC IN THE KAPLAN PENTHOUSE

Enthusiastic audiences filled this stunning space to hear three concerts featuring an eclectic mix of contemporary works. Highlights included the New York premieres of *White Water* for String Quartet by Joan Tower, performed by the Daedalus Quartet, and Aaron Jay Kernis' *Perpetual Chaconne* for Clarinet and String Quartet, written for and performed by clarinetist David Shifrin and the Orion String Quartet. The series also presented works by Karlheinz Stockhausen, Thomas Adès, James MacMillan, Heinz

Holliger, Georges Aperghis, and CMS Season Composer Brett Dean. Live webcasts brought these concerts to listeners around the world, doubling or tripling the physical audience. Music critic Zachary Woolfe of *The New York Times* wrote that "the Kaplan series is hard to beat for intimacy, quality of programming and virtuosity of performance" (*The New York Times*, October 19, 2012).



Daniel Phillips, Gloria Chien, Brett Dean, Kurt Muroki, Timothy Eddy



The Antioch Chamber Ensemble, Nina Lee

Gesualdo Reflections presented modern responses to the music of Italian composer Carlo Gesualdo, marking the 400th anniversary of his death. Gesualdo is remembered for both his tabloid-quality life and for writing music that anticipated modernism. The concert, conceived by composer and CMS Resident Lecturer Bruce Adolphe, presented works by Gesualdo,

Mr. Adolphe, Brett Dean, Wolfgang Rihm, and David Gompper, performed by the Antioch Chamber Ensemble, the Brentano String Quartet, and pianist Soyeon Kate Lee in the Good Shepherd-Faith Presbyterian Church adjacent to CMS. Musicologist Glenn Watkins, author of *The Gesualdo Hex*, gave a lecture about Gesualdo on the day before the concert.



Anne-Marie McDermott, Arnaud Sussmann, David Finckel

CMS performed fifty-five concerts for 25,000 listeners in thirty cities during the 2012-13 season, building its expanding worldwide reputation. CMS performed at the Mecklenburg Festival in Germany, the Sejong Chamber Hall in Seoul, South Korea, and on two CMS patron cruises. CMS added a new residency in Grand Rapids, Michigan to its already-established residencies at

Chicago's Harris Theater, the Chamber Music Festival of the Blue Grass at Shaker Village in Harrodsburg Kentucky, at the University of Georgia, and at the LG Arts Center in Seoul, South Korea. These touring performances and residencies brought new audiences to CMS and gave emerging young musicians in several cities opportunities to participate in master classes taught by CMS artists.

CMS expanded its media activities in 2012-13, in keeping with the goal of making our brand visible and our artistry available to an increasingly mobile, global, and digitally-

savvy audience. The CMS website and free mobile app make it possible to watch and listen anytime, anywhere.



LIVE WEB STREAMING

CMS webcast twenty-eight live programs, more than ever before. Viewers in India, Brazil, Australia, Vietnam, and Germany, and many more watched a total of 97,854 minutes of CMS concerts, lectures, and master classes over the course of the season. These webcasts offer a virtual

concert program that viewers can browse through as if they were at the concert. CMS staff interacts with viewers in “real time” via posts on Facebook and tweets on Twitter. When there are intermission interviews with artists or composers, viewers can also watch and listen.

SHOSTAKOVICH WEBSITE

CMS created a multi-faceted Shostakovich website associated with the *CMS Winter Festival: Complete Shostakovich Quartets*. The site, which CMS will continue to maintain as a resource for all who are interested in

Shostakovich and his quartets, provides an historical timeline of the composer’s life and works, in-depth commentary on the quartets by musicologist Paul Griffiths, an interactive musical score, and much more.

CMS VIDEOS

In 2012-13, CMS produced 39 new videos and added them to The Chamber Music Society of Lincoln Center YouTube Channel. These videos include live recorded performances, Artist Profile Interviews, about-the-music videos, concert promotion

videos, new Season Preview videos, live lecture videos, and master class videos. CMS YouTube Channel views nearly doubled since the previous year, from 108,000 to 201,500 views.

CMS ON FACEBOOK AND TWITTER

CMS maintains a constant conversation with chamber music lovers in social media. Visitors to the CMS Facebook page interact with CMS artists, learn about CMS programs, view photos of CMS events, and find links

to CMS videos and the CMS website. CMS Facebook “likes” topped 15,000, an increase of 191% over 2012, and CMS has attracted over 4,000 followers on Twitter, an increase of 57% over the previous season.

CMS RADIO BROADCASTS, STREAMING, & DOWNLOADS

The CMS radio series and performances on American Public Radio’s *Performance Today* were broadcast to a combined audience of over 6 million listeners nationwide on the radio and streamed from the radio stations’ websites. In 2012-13, CMS began the process of doubling production of the CMS radio

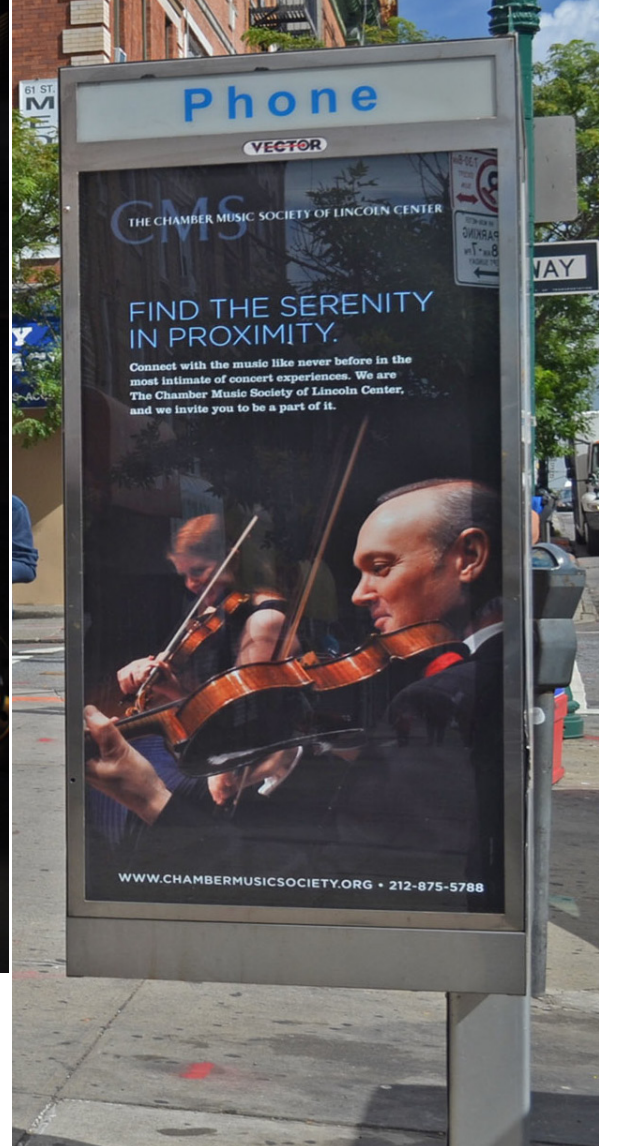
series, from 26 to 52 shows, which begin airing in fall, 2013. New York’s WQXR-FM also streams selected CMS New Music performances on Q2, its online contemporary music station. Listeners download CMS recordings via iTunes, Amazon, Spotify, and other online retailers.



The Amphion String Quartet

CMS Now, an exclusive membership for culturally-savvy young adults ages 21-39, launched in 2012-13, offering special

ticket prices, invitations to sophisticated private events, and access to select post-concert receptions.



The Chamber Music Society also continued its successful advertising campaign in major publications, such as *The New York Times*, *The Wall Street Journal*, *The New Yorker*, *Time Out New York*, *New York Magazine*, and others, as well as the New York subway, phone kiosks, and the electronic “Infoscape” around Lincoln Center. Shostakovich Winter Festival posters created “buzz” for the festival around New York City, drawing notice in the press and attracting interest as art. CMS held a free Season Preview video screening and concert in the David Rubinstein Atrium at Lincoln Center. CMS

maintains a constant flow of communication with publications, media outlets, journalists, and bloggers, leading to articles about CMS, media highlighting of upcoming CMS concerts, reviews, and features in programs such as WNET-Thirteen’s *NYC-Arts* public television program. Electronic media include e-newsletters and e-mail blasts to subscribers, special ticket promotions, brochure mailings, events with marketing partners such as the *L Magazine*, and ongoing social media activity on YouTube, Facebook, and Twitter.



Ian Rosenbaum (*Meet the Music!* Petting Zoo)

CMS served over 8,500 New Yorkers of all ages and extended the reach of its educational activities with increased live web streaming of educational events, a growing digital archive of CMS educational video

content, family concerts in Alice Tully Hall, pre-concert chats, lectures, master classes, and outreach activities in New York and around the world.

FOR CHILDREN AND FAMILIES

Chamber Music Beginnings provided New York City students in grades 3-5 with a solid grounding in musical concepts, based on a curriculum aligned with the NYC Blueprint for the Arts. Students from diverse neighborhoods and backgrounds participated in lively classroom sessions taught by CMS Teaching Artists and attended student-friendly concerts by CMS artists in professional performing arts centers and students' own classrooms. All three **Meet**

the Music! concerts for families with children ages 6 and up were performed in Alice Tully Hall this season, drawing capacity audiences. Before each **Meet the Music!** concert, CMS held the beloved Instrument Petting Zoo in the Alice Tully Hall lobby, where curious children tried instruments under the guidance of CMS musicians who later performed in the concert. This imaginative series is conceived and hosted by CMS Director of Family Programs, Bruce Adolphe.

FOR MIDDLE AND HIGH SCHOOL STUDENTS

Young Musicians (high school) and **Young Ensembles** (middle school) students received professional coachings from CMS artists and performed a concert open to the public in a Lincoln Center performing arts space (Alice Tully Hall for **Young Musicians** and the Rose Studio for **Young Ensembles**). Both concerts were streamed on the web for the benefit of friends, family and classmates who could not attend. The **Young Musicians** program

celebrated its 30th anniversary in 2013. Some 400 high school students attended free **Music Up Close!** open rehearsals and participated in lively Q&A with the artists. A new team of high school **Student Producers** met weekly with CMS staff to learn about arts administration and marketing chamber music concerts to their peers; the group also has its own website.



Clara Neubauer, Oliver Neubauer



Jessica Lee, Bruce Adolphe, Soyeon Kate Lee, Mihai Marica, Pierre Lapointe

FOR ALL AGES

The consistently sold-out *Inside Chamber Music* series by Bruce Adolphe, CMS Resident Lecturer, offered four fall lectures on significant works written in minor keys and four spring lectures that explored works for violin and piano. CMS artists performed in seven of the eight lectures. CMS offered **Master Classes** with Tara Helen O'Connor (*flute*), Jeremy Denk (*piano*), Jorja Fleezanis (*violin*), the Jerusalem Quartet (*string quartet*), and David Shifrin (*clarinet*). CMS offered five multimedia lectures

by distinguished musician and educator Michael Parloff as part of the Shostakovich Winter Festival. Author and musicologist Glenn Watkins discussed Gesualdo and his times with host Bruce Adolphe. Bruce Adolphe, Steven Mackey, Brett Dean, and Mark Adamo also gave composer chats associated with performances of their works. Live web streaming and the CMS archive of educational video recordings opened most of these events to listeners worldwide.

EDUCATIONAL OUTREACH

CMS artists performed ten concerts in New York hospitals and nursing homes this season with **Lincoln Center Programs and Services for People with Disabilities**. CMS artists also gave master classes, pre-concert chats,

and educational concerts during touring residencies at the University of Georgia, Clemson University in South Carolina, the Harris Theater in Chicago, Yewon Arts School in Seoul, Korea, and others.

CMS TWO

CMS Two, the highly competitive three-season residency for talented young musicians in the early stages of their careers, welcomed twelve new artists, who participated in every facet of CMS activities, on and off-stage, receiving advanced mentoring by long-time CMS artists. CMS Two alumni typically win prestigious awards and become leaders of distinguished music

organizations — many return to CMS as Season Artists. Among recent CMS Two alumni: Yura Lee (violin/viola) won first prize at the 2013 ARD Music Competition. Violinist Bella Hristova and the Escher String Quartet each won Avery Fisher Awards. Violist Beth Guterman has joined the St. Louis Symphony Orchestra. Pianist Alessio Bax won the Martin E. Segal Award for rising young artists.

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David Southorn, Katie Hyun

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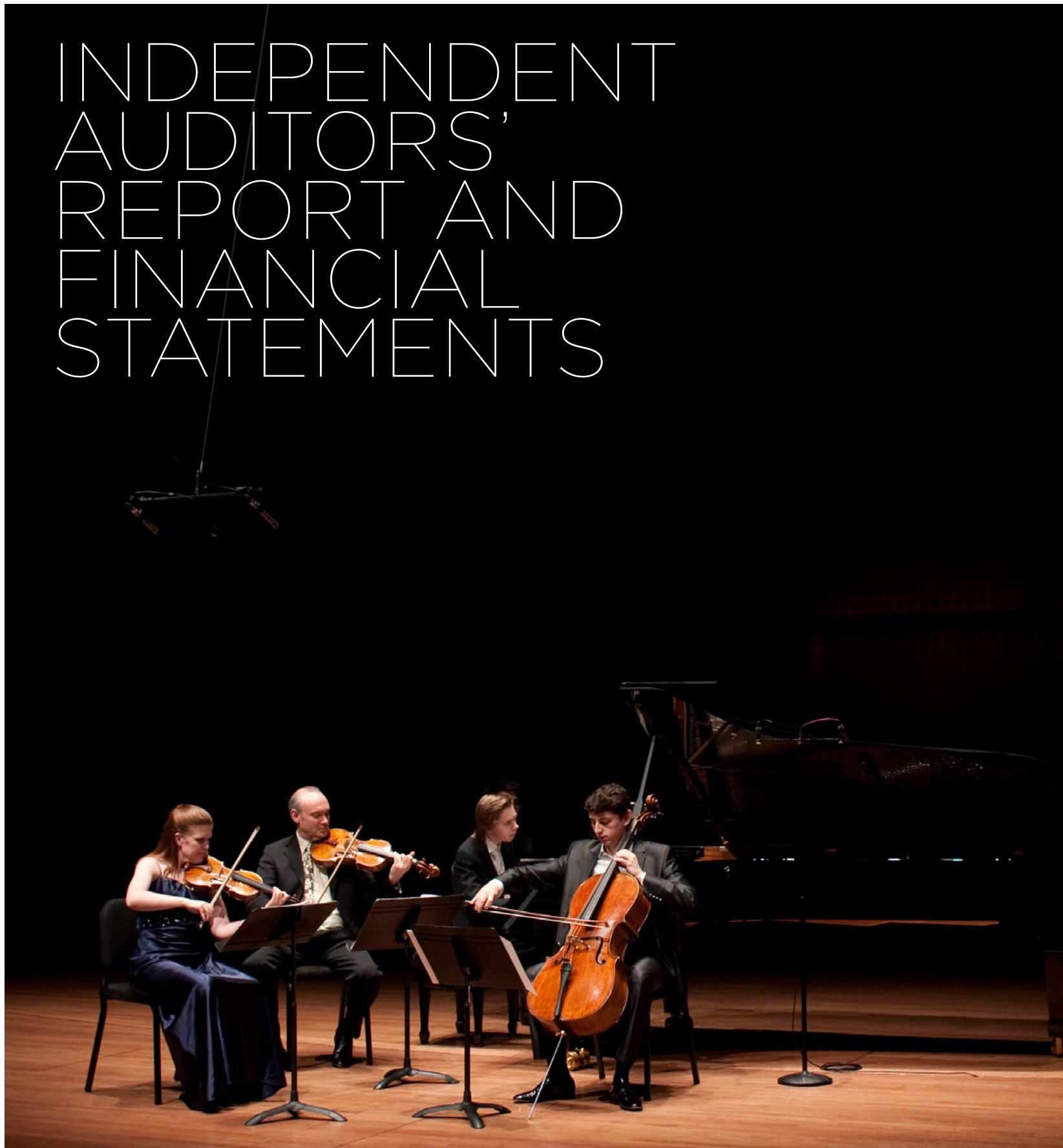
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INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS



Erin Keefe, Paul Neubauer, Juho Pohjonen, Narek Hakhnazaryan

December 2, 2013

**CONDON
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Certified Public Accountants

One Battery Park Plaza
New York, NY 10004-1405
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Independent Auditor's Report

To The Board of Directors of
The Chamber Music Society of Lincoln Center, Inc.

We have audited the accompanying financial statements of The Chamber Music Society of Lincoln Center, Inc. which comprise the statement of financial position as of June 30, 2013 and June 30, 2012 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chamber Music Society of Lincoln Center, Inc. as of June 30, 2013 and June 30, 2012 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty & Donnelly LLP

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Financial Position

Assets

	June 30	
	2013	2012
Current assets		
Cash and cash equivalents	\$ 1,099,161	\$ 1,929,245
Contributions receivable	157,244	99,285
Prepaid expenses and other current assets	<u>275,344</u>	<u>158,858</u>
Total current assets	1,531,749	2,187,388
Property and equipment, net of accumulated depreciation and amortization	6,775,975	7,218,996
Investments, at fair value	<u>35,127,580</u>	<u>32,011,019</u>
Total assets	<u>\$ 43,435,304</u>	<u>\$ 41,417,403</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable, taxes payable and accrued expenses	\$ 968,289	\$ 512,624
Advance box office receipts	<u>673,493</u>	<u>650,460</u>
Total current liabilities	<u>1,641,782</u>	<u>1,163,084</u>
Net assets		
Unrestricted		
Operating	659,683	511,050
Other	<u>21,008,265</u>	<u>19,608,356</u>
Total unrestricted	21,667,948	20,119,406
Temporarily restricted	3,380,174	3,389,513
Permanently restricted	<u>16,745,400</u>	<u>16,745,400</u>
Total net assets	<u>41,793,522</u>	<u>40,254,319</u>
Total liabilities and net assets	<u>\$ 43,435,304</u>	<u>\$ 41,417,403</u>

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Activities
Year Ended June 30, 2013
(with Summarized Comparative Information for the year ended June 30, 2012)

	Unrestricted		Total	Temporarily Restricted	Permanently Restricted	2013 Total	2012 Total
	Operating	Other					
Support and revenue							
Contributions	\$ 1,435,034	\$ 135,000	\$ 1,570,034	\$ 180,000	\$ -	\$ 1,750,034	\$ 1,499,299
Box office receipts	1,254,404	-	1,254,404	-	-	1,254,404	1,168,620
Touring	546,450	-	546,450	-	-	546,450	624,397
Long-term investment return designated for current operations	1,633,227	-	1,633,227	-	-	1,633,227	1,568,563
Long-term investment return in excess (deficiency) of spending rate	-	1,992,019	1,992,019	47,567	-	2,039,586	(1,621,010)
Other investment return	64,517	88	64,605	-	-	64,605	84,595
Rent, royalties and miscellaneous	90,964	-	90,964	-	-	90,964	51,099
Benefits	911,747	-	911,747	-	-	911,747	684,322
Less: Direct benefits expenses	(153,370)	-	(153,370)	-	-	(153,370)	(149,127)
	5,782,973	2,127,107	7,910,080	227,567	-	8,137,647	3,910,758
Net assets released from restrictions	66,500	170,406	236,906	(236,906)	-	-	-
Total support and revenue	5,849,473	2,297,513	8,146,986	(9,339)	-	8,137,647	3,910,758
Expenses							
Program services							
Performances	3,023,980	314,913	3,338,893	-	-	3,338,893	3,299,140
Touring	659,551	14,044	673,595	-	-	673,595	681,910
Education	433,148	39,384	472,532	-	-	472,532	422,477
Commissioning new music	7,534	-	7,534	-	-	7,534	22,079
Recording-production/distribution	308,336	86,600	394,936	-	-	394,936	246,576
Stoeger Prize for composers	-	8,120	8,120	-	-	8,120	34,183
Total program services	4,432,549	463,061	4,895,610	-	-	4,895,610	4,706,365
Supporting services							
Management and general	670,603	406,169	1,076,772	-	-	1,076,772	628,658
Fundraising	597,688	28,374	626,062	-	-	626,062	565,474
Total supporting services	1,268,291	434,543	1,702,834	-	-	1,702,834	1,194,132
Total expenses	5,700,840	897,604	6,598,444	-	-	6,598,444	5,900,497
Increase (decrease) in net assets	148,633	1,399,909	1,548,542	(9,339)	-	1,539,203	(1,989,739)
Net assets, beginning of year	511,050	19,608,356	20,119,406	3,389,513	16,745,400	40,254,319	42,244,058
Net assets, end of year	\$ 659,683	\$ 21,008,265	\$ 21,667,948	\$ 3,380,174	\$ 16,745,400	\$ 41,793,522	\$ 40,254,319

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statement of Activities
Year Ended June 30, 2012

	Unrestricted			Temporarily Restricted	Permanently Restricted	2012 Total
	Operating	Other	Total			
Support and revenue						
Contributions	\$ 1,315,155	\$ 80,144	\$ 1,395,299	\$ 104,000	\$ -	\$ 1,499,299
Box office receipts	1,168,620	-	1,168,620	-	-	1,168,620
Touring	624,397	-	624,397	-	-	624,397
Long-term investment return designated for current operations	1,568,563	-	1,568,563	-	-	1,568,563
Long-term investment return in (deficiency) of spending rate	-	(1,620,329)	(1,620,329)	(681)	-	(1,621,010)
Other investment return	84,430	165	84,595	-	-	84,595
Rent, royalties and miscellaneous	51,099	-	51,099	-	-	51,099
Benefits	684,322	-	684,322	-	-	684,322
Less: Direct benefits expenses	(149,127)	-	(149,127)	-	-	(149,127)
	<u>5,347,459</u>	<u>(1,540,020)</u>	<u>3,807,439</u>	<u>103,319</u>	<u>-</u>	<u>3,910,758</u>
Net assets released from restrictions	182,360	124,231	306,591	(304,591)	(2,000)	-
Total support and revenue	<u>5,529,819</u>	<u>(1,415,789)</u>	<u>4,114,030</u>	<u>(201,272)</u>	<u>(2,000)</u>	<u>3,910,758</u>
Expenses						
Program services						
Performances	2,982,923	316,217	3,299,140	-	-	3,299,140
Touring	669,562	12,348	681,910	-	-	681,910
Education	389,276	33,201	422,477	-	-	422,477
Commissioning new music	22,079	-	22,079	-	-	22,079
Recording-production/distribution	193,596	52,980	246,576	-	-	246,576
Stoeger Prize for composers	-	34,183	34,183	-	-	34,183
Total program services	<u>4,257,436</u>	<u>448,929</u>	<u>4,706,365</u>	<u>-</u>	<u>-</u>	<u>4,706,365</u>
Supporting services						
Management and general	611,941	16,717	628,658	-	-	628,658
Fundraising	535,949	29,525	565,474	-	-	565,474
Total supporting services	<u>1,147,890</u>	<u>46,242</u>	<u>1,194,132</u>	<u>-</u>	<u>-</u>	<u>1,194,132</u>
Total expenses	<u>5,405,326</u>	<u>495,171</u>	<u>5,900,497</u>	<u>-</u>	<u>-</u>	<u>5,900,497</u>
Increase (decrease) in net assets	124,493	(1,910,960)	(1,786,467)	(201,272)	(2,000)	(1,989,739)
Net assets, beginning of year	<u>386,557</u>	<u>21,519,316</u>	<u>21,905,873</u>	<u>3,590,785</u>	<u>16,747,400</u>	<u>42,244,058</u>
Net assets, end of year	<u>\$ 511,050</u>	<u>\$ 19,608,356</u>	<u>\$ 20,119,406</u>	<u>\$ 3,389,513</u>	<u>\$ 16,745,400</u>	<u>\$ 40,254,319</u>

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Functional Expenses
Year Ended June 30, 2013
(with Summarized Comparative Information for year ended June 30, 2012)

	2013							2012				
	Program Services						Supporting Services			Total		
	Performances	Touring	Education	Commissioning New Music	Recording- Production/ Distribution	Stoeger Prize	Total	Management and General	Fund- Raising			
Salaries and benefits	\$1,118,195	\$ 164,379	\$ 198,641	\$ -	\$ 127,019	\$ -	\$1,608,234	\$ 327,830	\$ 404,072	\$ 731,902	\$2,340,136	\$2,104,547
Artists' fees	463,200	378,886	67,435	7,500	4,500	-	921,521	-	5,500	5,500	927,021	1,042,483
Travel	100,491	94,497	4,884	-	-	-	199,872	1,245	1,823	3,068	202,940	196,369
Marketing and promotion	445,289	7,132	45	-	21,358	-	473,824	-	-	-	473,824	462,177
Box office	27,193	-	-	-	-	-	27,193	-	-	-	27,193	24,579
Hall rental and labor	509,896	-	90,420	-	35,155	-	635,471	-	14,737	14,737	650,208	558,350
Music purchase and rental	4,597	300	50	-	-	-	4,947	-	-	-	4,947	5,126
Programs, brochures and inserts	125,767	816	17,970	-	-	-	144,553	-	7,053	7,053	151,606	146,714
Professional fees	9,227	-	4,995	-	88,915	-	103,137	477,047	3,040	480,087	583,224	179,977
Dues, conferences, subscriptions	-	1,750	284	-	-	-	2,034	2,077	1,455	3,532	5,566	5,310
Catering and hospitality	9,228	143	5,452	-	516	-	15,339	44,120	101,287	145,407	160,746	122,211
Supporting services	-	-	-	-	-	-	-	30,080	-	30,080	30,080	27,971
Non-staff compensation	-	-	-	-	-	-	-	-	-	-	-	555
Insurance	-	-	-	-	-	-	-	32,024	-	32,024	32,024	39,411
Messengers, postage, mailing	37,937	23	9,309	-	-	-	47,269	5,371	4,588	9,959	57,228	64,040
Software	-	-	-	-	-	-	-	26,592	-	26,592	26,592	23,212
Telephone	-	-	-	-	-	-	-	20,680	-	20,680	20,680	18,135
Furniture, equipment and maintenance	3,365	-	-	-	1,919	-	5,284	14,939	-	14,939	20,223	14,972
Stoeger prize	-	-	-	-	-	8,120	8,120	-	-	-	8,120	34,183
Depreciation and amortization	314,913	14,044	39,384	-	86,600	-	454,941	14,328	28,374	42,702	497,643	460,688
Rose Studio maintenance	115,320	7,336	16,035	-	11,758	-	150,449	13,846	27,419	41,265	191,714	197,195
Tuning and other production	43,886	3,700	17,385	34	16,593	-	81,598	-	75	75	81,673	70,234
CDs, materials, and reference	196	-	97	-	-	-	293	7,152	13,849	21,001	21,294	26,120
Office supplies and miscellaneous	10,193	589	146	-	603	-	11,531	30,991	12,790	43,781	55,312	48,938
Contributions	-	-	-	-	-	-	-	25,000	-	25,000	25,000	25,000
Bad debt expense	-	-	-	-	-	-	-	3,450	-	3,450	3,450	2,000
Total functional expenses	\$3,338,893	\$ 673,595	\$ 472,532	\$ 7,534	\$ 394,936	\$ 8,120	\$4,895,610	\$1,076,772	\$ 626,062	\$1,702,834	\$6,598,444	\$5,900,497

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statement of Functional Expenses
Year Ended June 30, 2012

	2012										
	Program Services						Supporting Services				
	Performances	Touring	Education	Commissioning New Music	Recording- Production/ Distribution	Stoeger Prize	Total	Management and General	Fund- Raising	Total	Total
Salaries and benefits	\$1,116,179	\$ 112,939	\$ 184,215	\$ -	\$ 57,537	\$ -	\$1,470,870	\$ 282,419	\$ 351,258	\$ 633,677	\$2,104,547
Artists' fees	466,750	450,511	70,280	20,692	27,250	-	1,035,483	-	7,000	7,000	1,042,483
Travel	105,019	82,573	5,305	-	195	-	193,092	2,126	1,151	3,277	196,369
Marketing and promotion	452,195	5,782	4,200	-	-	-	462,177	-	-	-	462,177
Box office	24,579	-	-	-	-	-	24,579	-	-	-	24,579
Hall rental and labor	451,240	-	56,055	-	35,850	-	543,145	-	15,205	15,205	558,350
Music purchase and rental	4,395	728	3	-	-	-	5,126	-	-	-	5,126
Programs, brochures and inserts	120,051	814	16,412	-	(400)	-	136,877	-	9,837	9,837	146,714
Professional fees	8,711	-	6,520	-	64,785	-	80,016	93,611	6,350	99,961	179,977
Dues, conferences, subscriptions	-	1,750	275	-	-	-	2,025	1,505	1,780	3,285	5,310
Catering and hospitality	10,072	-	6,521	-	585	-	17,178	16,118	88,915	105,033	122,211
Supporting services	-	-	-	-	-	-	-	27,971	-	27,971	27,971
Non-staff compensation	-	-	-	-	-	-	-	555	-	555	555
Insurance	-	-	-	-	-	-	-	39,411	-	39,411	39,411
Messengers, postage, mailing	42,080	338	8,097	-	264	-	50,779	9,375	3,886	13,261	64,040
Software	-	-	-	-	-	-	-	23,212	-	23,212	23,212
Telephone	-	-	-	-	-	-	-	18,135	-	18,135	18,135
Furniture, equipment and maintenance	2,809	-	-	-	1,023	-	3,832	11,140	-	11,140	14,972
Stoeger prize	-	-	-	-	-	34,183	34,183	-	-	-	34,183
Depreciation and amortization	316,217	12,348	33,201	-	52,980	-	414,746	16,417	29,525	45,942	460,688
Rose Studio maintenance	126,573	7,924	16,712	-	5,490	-	156,699	14,471	26,025	40,496	197,195
Tuning and other production	48,230	5,765	13,585	1,387	1,017	-	69,984	-	250	250	70,234
CDs, materials, and reference	465	-	869	-	-	-	1,334	9,896	14,890	24,786	26,120
Office supplies and miscellaneous	3,575	438	227	-	-	-	4,240	35,296	9,402	44,698	48,938
Contributions	-	-	-	-	-	-	-	25,000	-	25,000	25,000
Bad debt expense	-	-	-	-	-	-	-	2,000	-	2,000	2,000
Total functional expenses	\$3,299,140	\$ 681,910	\$ 422,477	\$ 22,079	\$ 246,576	\$ 34,183	\$4,706,365	\$ 628,658	\$ 565,474	\$1,194,132	\$5,900,497

See notes to financial statements.

Statements of Cash Flows

	Years Ended	
	June 30	
	2013	2012
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 1,539,203	\$ (1,989,739)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	497,643	460,688
Net realized and unrealized (gain) loss on long-term investments	(3,669,195)	44,775
(Increase) decrease in assets		
Contributions receivable	(57,959)	584,263
Prepaid expenses and other current assets	(116,486)	95,627
Increase (decrease) in liabilities		
Accounts payable, taxes payable and accrued expenses	455,665	(168,799)
Advance box office receipts	23,033	63,523
Net cash (used in) operating activities	<u>(1,328,096)</u>	<u>(909,662)</u>
Cash flows from investing activities		
Proceeds from sale of investments	5,836,601	7,751,488
Purchase of investments	(5,283,967)	(6,174,251)
Purchases of property and equipment	<u>(54,622)</u>	<u>(641,958)</u>
Net cash provided by investing activities	<u>498,012</u>	<u>935,279</u>
Net increase (decrease) in cash and cash equivalents	(830,084)	25,617
Cash and cash equivalents, beginning of year	<u>1,929,245</u>	<u>1,903,628</u>
Cash and cash equivalents, end of year	<u>\$ 1,099,161</u>	<u>\$ 1,929,245</u>

See notes to financial statements.

Notes to Financial Statements
June 30, 2013**Note 1 – Organization and summary of significant accounting policies**Nature of organization

The Chamber Music Society of Lincoln Center, Inc. (the “Society”) seeks to stimulate and support the production, performance, and composition of chamber music through live concerts (local and tours), education, maintenance of a music library, and commissioning new works.

Net asset classifications

The Society reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

- Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have been fulfilled. As reflected in the accompanying statement of financial position, the Society has designated unrestricted net assets to operating and other unrestricted net assets. The operating net assets consist primarily of ongoing activities of the Society. At the Society’s year-end of June 30th, the balance of operating net assets consists of the historical cumulative increase in net assets.
- Temporarily restricted net assets contain donor-imposed restrictions that permit the Society to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the Society.
- Permanently restricted net assets contain donor-imposed restrictions that stipulate the principal be maintained permanently, but permit the Society to use, or expend part or all of the investment return derived from the donated assets for either specified or unspecified purposes.

Contributions

Unconditional promises to contribute are recognized as revenue at their fair value.

The Society records contributions and investment return as temporarily restricted if they are received with donor stipulations that limit their use, either through purpose or time restrictions and those stipulations have not been fulfilled. When donor restrictions are fulfilled in subsequent years, that is, when a purpose restriction is met or a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions and investment return received with donor stipulations that limit their uses, which are fulfilled in the same reporting period, are recorded as unrestricted contributions and investment return.

Notes to Financial Statements (continued)
June 30, 2013

Note 1 – Organization and summary of significant accounting policies (continued)Contributions (continued)

The Society has volunteers who provide periodic administrative support to the subscriptions and development department. Such in-kind services do not meet the criteria for recognition of in-kind services as prescribed by accounting principles generally accepted in the United States of America and, accordingly, are not reflected in the accompanying financial statements.

The Society is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

Cash equivalents

The Society considers all liquid financial instruments purchased with original maturity of three months or less to be cash equivalents.

Fair value of financial instruments

Investments in fixed income obligations are reported at fair value based on quoted market prices. Unrealized gains and losses are determined using quoted market prices at the respective statement of financial position dates. Realized gains and losses from sales of securities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Investment transactions are accounted for on a trade-date basis. The Society also invests in Limited Partnerships. The value of the Limited Partnerships, which is adjusted for unrealized gains and losses, is based upon the most recent available information provided by management of the Limited Partnerships. There is uncertainty in determining fair value of limited partnerships arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, time lags associated with reporting by the investee companies, and the subjective evaluation of liquidity restrictions. As a result, the estimated fair values reported in the accompanying statement of financial position might differ from the values that would have been used had a ready market for the Limited Partnerships' interest existed. Furthermore, there is at least a reasonable possibility that estimates will change by material amounts in the near term.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

Notes to Financial Statements (continued)
June 30, 2013

Note 1 – Organization and summary of significant accounting policies (continued)Fair value measurements (continued)

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

Allowance for doubtful accounts

The Society has determined that an allowance for doubtful accounts is not required for any grants or contributions that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are capitalized at cost and depreciated and amortized using the straight-line method over the estimated useful lives of the assets. The Society capitalizes expenditures for assets in excess of a nominal amount with an estimated useful life of greater than one year.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. It is the Society's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, these donations are recorded as temporarily restricted support. The Society reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of the donated property and equipment's depreciation expense.

Advertising costs

Except for certain telemarketing costs for the subscription concert series, which are deferred until the following year, advertising costs are expensed as incurred and amounted to \$386,673 and \$356,433 in the 2013 and 2012 fiscal years, respectively.

Functional classification of expenses

The costs of providing program and supporting services have been summarized in the accompanying statement of activities. Program services include costs of performances, touring, educational, broadcasting, recording, and commissioning of new chamber music. Management and general expenses include executive and financial administration, and an allocable portion of building maintenance and security.

Notes to Financial Statements (continued)
June 30, 2013

Note 1 – Organization and summary of significant accounting policies (continued)Functional classification of expenses (continued)

Fundraising activities of the Society includes salaries and employee benefits of program staff who develop proposals for fundraising; solicit contributions for those needs and for endowment purposes from individuals, corporations, government agencies and foundations; and conduct special fundraising events. Fundraising costs are expensed as incurred except for certain telemarketing costs for the subscription concert series, which are deferred until the following year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Society's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, investments, contributions and grants receivable and other receivables. The Society places its cash and cash equivalents with what it believes to be quality financial institutions. At times, bank balances exceed the FDIC insurance limit. However, the Society has not experienced any losses in these bank balances to date. The Society's investments consist of debt obligations, equities and limited partnerships. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2013. The Society routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. Management of the Society monitors the collectibility of contributions and grants receivable and other receivables. As a consequence, management believes that concentrations of credit risk are limited.

Subsequent events

The Society has evaluated events and transactions for potential recognition or disclosure through December 2, 2013, which is the date the financial statements were available to be issued.

Note 2 – Contributions receivable

Contributions receivable as of June 30, 2013 and June 30, 2012 were all due to be collectible in one year.

Notes to Financial Statements (continued)
June 30, 2013

Note 3 – Investments

Investments as of June 30, 2013 and June 30, 2012 consisted of the following:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Fixed income obligation and other	\$ 3,493,495	\$ 3,205,548	\$ 3,974,926	\$ 3,913,343
Investments in limited partnerships and other*				
U.S. equities	1,700,000	6,036,104	2,700,000	5,713,036
International equities	550,000	4,604,742	1,550,000	4,627,058
Fixed income	3,200,000	6,551,728	3,200,000	5,681,297
Multi-strategy	7,072,704	8,963,911	5,183,183	6,180,804
Economic hedges/ real assets	1,000,000	858,740	1,000,000	915,912
Private equity and other	4,863,314	4,906,807	5,388,989	4,979,569
Total long-term investments	<u>\$ 21,879,513</u>	<u>\$ 35,127,580</u>	<u>\$ 22,997,098</u>	<u>\$ 32,011,019</u>

* Interest in oil/gas leases is reflected at their donated value.

The Society invests in limited partnerships that invest in stocks, bonds, options, and other financial instruments. The investment objectives are to preserve capital and provide a satisfactory return with an effort to maintain a low risk profile, through various hedging strategies.

Derivative financial instruments, primarily puts and calls, were used by the Society in fiscal 2013 and 2012 to provide a protective collar to hedge a portion of its investment portfolio. These instruments will mature in December 2013. This off-statement of financial position exposure represents a strategy to reduce the market risk inherent in a portion of the Society's investment program. Changes in the fair values of these financial instruments are recognized in the statement of activities.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2013

Note 3 – Investments (continued)

The following table presents the Society's financial assets that are measured at fair value on a recurring basis at June 30, 2013 and 2012:

Description	Fair value measurements at June 30, 2013			
	Total	Level 1	Level 2	Level 3
Fixed income obligations and other	\$ 3,205,548	\$ 3,205,548	\$ -	\$ -
Limited partnerships and other:				
U.S. equities	6,036,104	-	6,036,104	-
International equities	4,604,742	-	4,604,742	-
Fixed income	6,551,728	-	4,344,496	2,207,232
Multi-strategy	8,963,911	-	4,283,699	4,680,212
Economic hedges/ real assets	858,740	-	858,740	-
Private equity and other	4,906,807	-	-	4,906,807
Total investments	\$ 35,127,580	\$ 3,205,548	\$ 20,127,781	\$ 11,794,251

Description	Fair value measurements at June 30, 2012			
	Total	Level 1	Level 2	Level 3
Fixed income obligations and other	\$ 3,913,343	\$ 3,913,343	\$ -	\$ -
Limited partnerships and other:				
U.S. equities	5,713,036	-	5,713,036	-
International equities	4,627,058	-	4,627,058	-
Fixed income	5,681,297	-	3,860,836	1,820,461
Multi-strategy	6,180,804	-	3,781,350	2,399,454
Economic hedges/ real assets	915,912	-	915,912	-
Private equity and other	4,979,569	-	-	4,979,569
Total investments	\$ 32,011,019	\$ 3,913,343	\$ 18,898,192	\$ 9,199,484

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2013

Note 3 – Investments (continued)

The following is a summary of changes in the fair value of the Society's Level 3 investments for the years ended June 30, 2013 and June 30, 2012:

	U.S. Equities	International Equities	Fixed Income	Multi- Strategy	Economic Hedges/ Real Assets	Private Equity and Other	Total
Balance, July 1, 2011	\$ 6,070,548	\$ 5,153,107	\$ 7,321,907	\$ 6,051,316	\$ 1,846,077	\$ 2,990,030	\$ 29,432,985
Transfers out	(6,070,548)	(5,153,107)	(5,559,536)	(3,859,313)	(1,846,077)	(332,615)	(22,821,196)
Net unrealized gains (loss)	-	-	58,090	207,451	-	(87,705)	177,836
Purchases	-	-	-	-	-	2,409,859	2,409,859
Balance, June 30, 2012	-	-	1,820,461	2,399,454	-	4,979,569	9,199,484
Transfers out	-	-	-	(500,000)	-	(845,676)	(1,345,676)
Net unrealized gains	-	-	386,771	380,758	-	452,914	1,220,443
Purchases	-	-	-	2,400,000	-	320,000	2,720,000
Balance, June 30, 2013	\$ -	\$ -	\$ 2,207,232	\$ 4,680,212	\$ -	\$ 4,906,807	\$ 11,794,251

The Society uses NAV, or its equivalent, to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists such investments by major class:

Strategies of Limited Partnerships	Notice	Redemption Frequency	Next Withdrawal Date
U.S. Equities - 1	60 days	Quarterly	9/30/2013
International Equities – 1	10 days	Monthly	12/31/2013
Fixed Income – 4	1 fund with 45 days	Quarterly	9/30/2013
	2 funds with 60 days	Quarterly	9/30/2013
	1 fund with 90 days	Annual	3/31/2014
Hedge Funds – 4	1 fund with- 15 days	Monthly	11/30/2013
	1 fund with 60 days	Quarterly	12/31/2013
	1 fund with 65 days	Quarterly	9/30/2013
	1 fund with 90 days	Quarterly	9/30/2013
Economic Hedges/Real Assets - 1	35 days	Monthly	11/30/2013
Other - 2	1 fund with 65 days	Semi-Annual	2/28/2014
	1 fund with 120 days	Semi-Annual	12/31/2013
Private Equity - 3	Capital is returned by each partnership over its contractual life.		

Notes to Financial Statements (continued)
June 30, 2013

Note 3 – Investments (continued)

Level 3 valuation technique

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2013 and June 30, 2012.

Fair value measurements allows for the use of 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. The practical expedient used by the Society to value private investments is the Net Asset Value (NAV) per share, or its equivalent. Valuations provided by fund administrators consider variables such as the financial performance of underlying investments, recent sales prices of underlying investments and other pertinent information. The Society reviews valuations and assumptions provided by fund administrators for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of fair value.

The preceding methods described for the limited partnerships and similar type investments may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Society 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 fair value measurement at the reporting date.

Investment return and its classification in the statement of activities for the year ended June 30, 2013 were as follows:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Dividends and interest	\$ 73,880	\$ -	\$ 73,880
Royalties from oil/gas leases	64,127	-	64,127
Net realized and unrealized gain	<u>3,621,628</u>	<u>47,567</u>	<u>3,669,195</u>
Net return on long-term investments	3,759,635	47,567	3,807,202
Interest on short-term investments	<u>478</u>	<u>-</u>	<u>478</u>
Net return on investments	3,760,113	47,567	3,807,680
Less: Amounts designated for current operations			
Long-term investment return	(1,633,227)	-	(1,633,227)
Other investment return	(64,605)	-	(64,605)
Investment advisory fees	(69,669)	-	(69,669)
Unrelated business income taxes	<u>(593)</u>	<u>-</u>	<u>(593)</u>
Long-term investment return after deduction of amounts designated for current operations	<u>\$ 1,992,019</u>	<u>\$ 47,567</u>	<u>\$ 2,039,586</u>

Notes to Financial Statements (continued)
June 30, 2013

Note 4 – Property and equipment

Property and equipment consisted of the following as of June 30, 2013 and June 30, 2012:

	<u>Useful Life</u>	<u>2013</u>	<u>2012</u>
Furniture, pianos and equipment	5-20 years	\$1,235,467	\$1,205,960
Rose Building: interior	20 years	2,534,630	2,534,630
Rose Building: core and shell	20-40 years	2,556,192	2,542,138
Alice Tully Hall leasehold improvements and other improvements	30 years	<u>5,092,291</u>	<u>5,081,230</u>
Subtotal		11,418,580	11,363,958
Less: Accumulated depreciation and amortization		<u>4,923,252</u>	<u>4,425,609</u>
Subtotal		6,495,328	6,938,349
Land		<u>280,647</u>	<u>280,647</u>
Total		<u>\$6,775,975</u>	<u>\$7,218,996</u>

Note 5 – Commitments

The Society entered into various commitments for compositions, hall rentals, and artists' contracts. As of June 30, 2013 the following is a summary of the annual future commitments:

<u>Fiscal year</u>	<u>Amount</u>
2014	\$1,776,640

During May 2009, the Society entered into a Constituency Agreement with Lincoln Center for the Performing Arts, Inc. ("LCPA") for space in the newly-renovated Alice Tully Hall. The term of this agreement is 25 years from the date of inception. During this term, both parties agree to fully perform all of their obligations under the lease, except to the extent that such obligations have been modified. Under this agreement, the Society has agreed to pay certain rental and administrative fees, as well as its pro-rata share of any deficit and capital renewals and renovations, which may result from the yearly operation of Alice Tully Hall. The Society's share of these costs in fiscal year 2013 amounted to \$54,939 and \$45,896 in the 2013 and 2012 fiscal years, respectively.

The Society is a party to the Final Participants Agreement (the "Agreement"), dated May 19, 1987. As a part of the Agreement, the Society has a proprietary lease agreement with the LCPA for its occupancy in the Rose Building. The lease continues through December 31, 2085, at which time the Society has the option to renew. Under the agreement, the Society is obligated to pay its share of the costs of operating the building. Such costs totaled \$162,116 and \$170,236 in the 2013 and 2012 fiscal years, respectively.

Notes to Financial Statements (continued)
June 30, 2013

Note 6 – Pension and retirement plans

Multiple-employer defined benefit pension plan

The Society participates in a multiple-employer defined benefit pension plan maintained by Lincoln Center for the Performing Arts, Inc. along with certain of its Constituents, which covers substantially all full-time non-union employees. Employers' contributions to the plan are commingled and available to pay the benefits of all plan participants. For fiscal years 2013 and 2012, the Society contributed \$85,000 and \$68,302, respectively, to the nonunion pension plan, although no contributions were required by Employee Retirement Income Security Act.

Multiple-employer defined contribution plan

The Society also participates in a non-contributory multiple-employer defined contribution plan maintained by Lincoln Center. Employees can contribute to the Plan in accordance with the Internal Revenue Code. The Society did not contribute to the Plan for the 2013 or 2012 fiscal years, respectively.

Note 7 – Net assets

The Society reports its restricted net assets in accordance with accounting standards topic 958 – Endowments (formerly FSP 117-1).

The Society's endowment consists of several individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and a fund designated by the Board of Directors. The Society acts prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Society classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as unrestricted and temporarily restricted net assets based on donor stipulations.

Measure of operations

The Society includes in its measure of operations or operating results all revenues and expenses that are an integral part of its programs and supporting activities. The measure of operations includes investment return equal to \$1,633,227 and \$1,568,563 for fiscal 2013 and 2012, respectively, as determined by a spending rate policy of 5% of a twelve-quarter rolling average of the fair value of the endowment. The measure of operations excludes investment return in excess of that amount, bequests in excess of \$25,000 unless approved otherwise by the Board or unrestricted net assets that are board designated, depreciation on property and equipment, investment expenses, unrelated business income taxes and expenses related to the Stoeger Prize.

Notes to Financial Statements (continued)
June 30, 2013

Note 7 – Net assets (continued)

Measure of operations (continued)

The following is a summary of the temporarily restricted net assets as of and for the year ended June 30, 2013:

	Balance June 30, <u>2012</u>	Contributions and Investment <u>Return</u>	Net Assets Released from <u>Restrictions</u>	Balance June 30, <u>2013</u>
A combination of new productions, new performances, tours, educational or audience outreach programs	\$2,358,038	\$ -	\$ -	\$2,358,038
Time restricted for future years – general operations	935,062	180,000	228,786	886,276
Stoeger Prize for composers	<u>96,413</u>	<u>47,567</u>	<u>8,120</u>	<u>135,860</u>
Total temporarily restricted net assets	<u>\$3,389,513</u>	<u>\$ 227,567</u>	<u>\$ 236,906</u>	<u>\$3,380,174</u>

The Society may expend the restricted net assets for program activities shown in the first line above, subject to certain conditions, including there being an extraordinary need and meeting certain matching gift requirements.

The Society's investment policy is structured in order to ensure that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending; to preserve the constant dollar value and purchasing power of the endowment for future generations; and to preserve the principal of operating cash and reserves while producing market-level income. In addition, this policy outlines appropriate risk and return objectives, offers asset allocation guidelines, describes suitable investments, and defines the responsibilities of the Finance Committee and any investment consultant with respect to the investment of the Society's assets.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2013

Note 7 – Net assets (continued)

Measure of operations (continued)

Permanently restricted net assets as of June 30, 2013 and June 30, 2012 consisted of the following endowment funds:

	<u>2013</u>	<u>2012</u>
A combination of new productions, new performances, tours, educational or audience outreach programs	\$ 9,432,151	\$ 9,432,151
Chairs	1,729,494	1,729,494
Stoeger Prize for composers	445,692	445,692
Media	500,000	500,000
Taplin commissioning	461,054	461,054
Rose building maintenance	118,731	118,731
General	<u>4,058,278</u>	<u>4,058,278</u>
Total permanently restricted net assets	<u>\$ 16,745,400</u>	<u>\$ 16,745,400</u>

As of June 30, 2013 and 2012, there were no restricted or designated funds with deficiencies.

Note 8 – Tax status

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Society has been classified by the Internal Revenue Service as an organization, which is not a private foundation within the meaning of Section 509(a)(1) of the Code. The Society qualifies for the maximum charitable contribution deduction by donors. Certain of the Society’s investment income constitute unrelated business income. As of June 30, 2013, no amounts have been recognized for uncertain income tax positions. The Society’s tax returns for the 2010 fiscal year and forward are subject to the usual review by the appropriate authorities.



Metamorphosen (February 22, 2013)

PHOTO CREDITS: Concert Photography by Tristan Cook and Matthew Murphy.
Cover Image - Gustavo Ramos Rivera; Fuente, 2005; oil on canvas over panel; 40 x 48".

