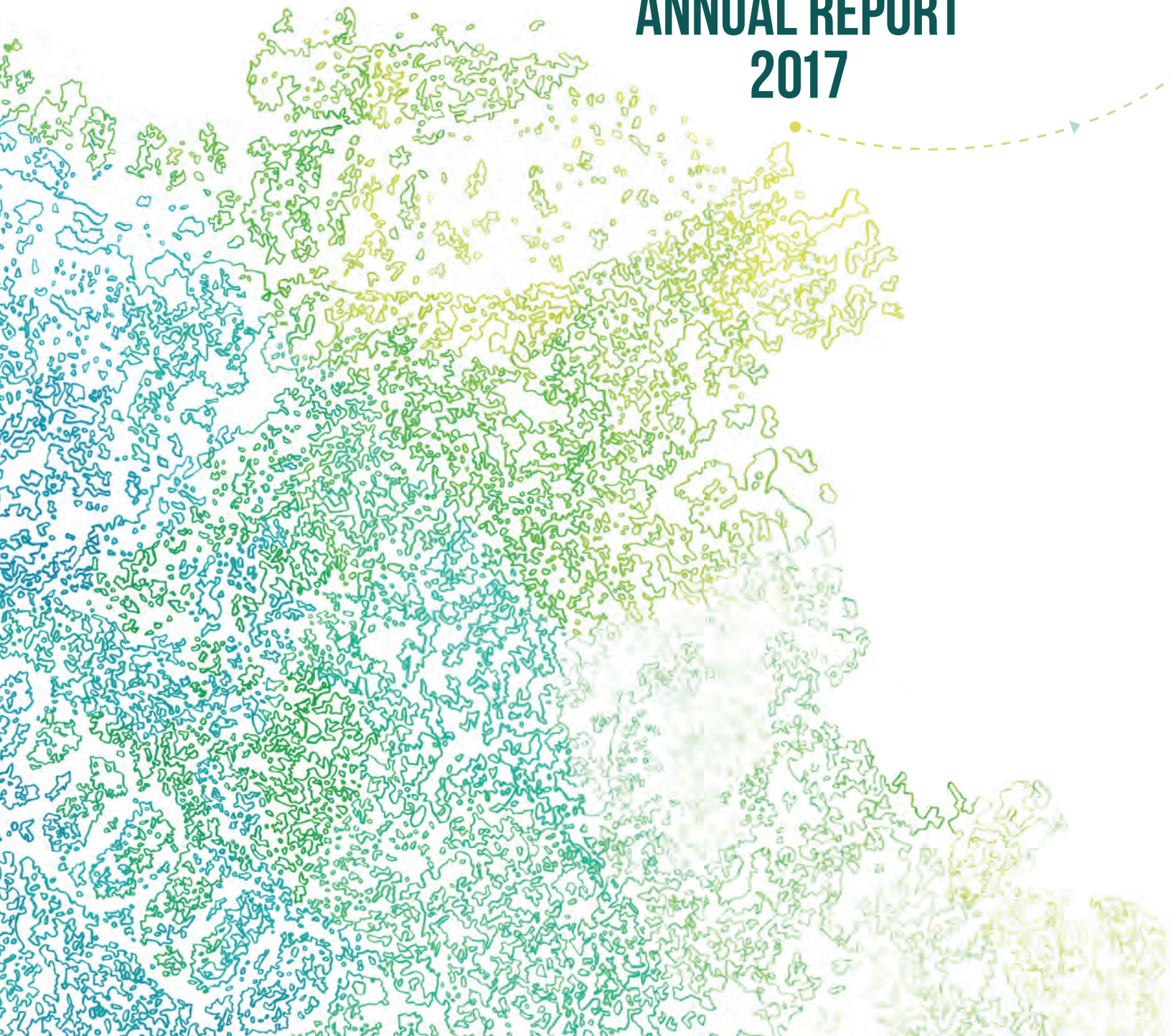


**ANNUAL REPORT
2017**



LETTER FROM THE CHAIRMAN AND EXECUTIVE DIRECTOR

The Chamber Music Society enjoyed a successful 47th Anniversary season of high artistic achievement, rising international prominence, and expanded digital access to a wide selection of CMS performances and educational events.

The season began with the second *Summer Evenings* series, which attracted many new audience members to CMS, including nearly 300 young adults ages 21-39. CMS launched a new visual identity as well as a completely redesigned, mobile-optimized website, and PBS television aired the groundbreaking *Live From Lincoln Center* documentary of CMS performances at Shaker Village of Pleasant Hill—the first-ever filmed outside New York. In all, CMS performed 58 concerts in New York and gave 68 touring performances,

among them the Chamber Music Society's first performance at the White Nights Festival in St. Petersburg, Russia. In keeping with its commitment to recognize those who advance the art form, CMS awarded the prestigious Elise L. Stoeger Prize to Huw Watkins for his contributions to the field of chamber music composition. After rigorous auditions, CMS selected a new group of extraordinary early-career CMS Two artists, who will begin their three-year residency in 2018-19.

In concerts throughout the season, CMS led audiences on a transformative

musical journey, following in the footsteps of young Felix Mendelssohn who, like many affluent young men of his time, pursued self-discovery and enlightenment by taking a Grand Tour of Europe. At the heart of the season, the CMS Winter Festival presented three portraits of Mendelssohn, with performances of the composer's most beloved works alongside those of his idols, contemporaries, and artistic heirs. The CMS *Baroque Festival* presented the first CMS performance of solo works by Bach for six different instruments. In an unprecedented seven-city tour, and three performances in New York, twenty CMS artists brought Bach's Brandenburg Concertos to audiences at home and across the U.S. CMS celebrated the 40th anniversary season of the Emerson String Quartet, premiering a new commission which Mark-Anthony Turnage wrote for the Emerson.

Throughout the season, CMS presented imaginative programs of varied periods and instrumentation; new commissions; educational programs that engaged and inspired audiences, musicians, and students of all ages; 28 live-streamed events, which were also simulcast on Facebook Live; a 52-week international radio series; and more.

Due to a highly successful Spring

Gala, increased ticket sales, and the careful management of expenses, CMS ended the season in sound financial health.

We thank our Artistic Directors, musicians, and staff for the excellence of our 47th Anniversary season, and we extend our deepest gratitude to our loyal friends and supporters for making the accomplishments of 2016-17 possible.



JAMES P. O'SHAUGHNESSY
Chairman



SUZANNE DAVIDSON
Executive Director

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THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER

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COVER ART: Ingrid Calame, #383 Drawing (Tracings from Perry Street Projects Wading Pool, Buffalo, NY), 2012, color pencil on trace Mylar, 30 x 30 inches. **PHOTO CREDITS:** Event photography by Daniel Ashworth, Tristan Cook, Lilian Finckel, Karli Cadel, Cherylynn Tsushima, Amelia Panico; headshots by Lisa-Marie Mazzucco, Jiyang Chen, Sophie Zhai.

2016-2017

ARTISTS OF THE SEASON

Michelle Areyzaga, SOPRANO
 Tony Arnold, SOPRANO
 Julia Bullock, SOPRANO
 Leah Crocetto, SOPRANO
 Lisette Oropesa, SOPRANO
 John Moore, BARITONE
 Randall Scarlata, BARITONE
 Inon Barnatan, PIANO
 Alessio Bax, PIANO
 Michael Brown, PIANO*
 Gloria Chien, PIANO
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 Gilbert Kalish, PIANO
 Anne-Marie McDermott, PIANO
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 Thomas Sauer, PIANO
 Gilles Vonsattel, PIANO
 Huw Watkins, PIANO
 Orion Weiss, PIANO
 Shai Wosner, PIANO
 Wu Han, PIANO
 Wu Qian, PIANO*
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 Cho-Liang Lin, VIOLIN

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 Arnaud Sussmann, VIOLIN
 Kyoko Takezawa, VIOLIN
 Danbi Um, VIOLIN*
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 Che-Yen Chen, VIOLA
 Roberto Díaz, VIOLA
 Mark Holloway, VIOLA
 Hsin-Yun Huang, VIOLA
 Kirsten Johnson, VIOLA
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 Matthew Lipman, VIOLA*
 Paul Neubauer, VIOLA
 Richard O'Neill, VIOLA
 Steven Tenenbom, VIOLA
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 Dmitri Atapine, CELLO*
 Carter Brey, CELLO
 Nicholas Canellakis, CELLO
 Colin Carr, CELLO
 Andrés Díaz, CELLO
 Timothy Eddy, CELLO
 Rafael Figueroa, CELLO
 David Finckel, CELLO
 Jerry Grossman, CELLO
 Gary Hoffman, CELLO
 Jakob Koranyi, CELLO
 Sumire Kudo, CELLO
 Mihai Marica, CELLO
 Daniel McDonough, CELLO
 Daniel Müller-Schott, CELLO
 Hai-Ye Ni, CELLO
 David Requiro, CELLO
 Keith Robinson, CELLO
 Jan Vogler, CELLO
 Paul Watkins, CELLO
 Alisa Weilerstein, CELLO
 Joseph Conyers, DOUBLE BASS

Anthony Manzo, DOUBLE BASS
 Scott Pingel, DOUBLE BASS
 Wu Man, PIPA
 William Anderson, MANDOLIN
 Avi Avital, MANDOLIN
 Oren Fader, GUITAR
 Jason Vieaux, GUITAR
 Elizabeth Hainen, HARP
 Sooyun Kim, FLUTE
 Tara Helen O'Connor, FLUTE
 Randall Ellis, OBOE
 James Austin Smith, OBOE
 Stephen Taylor, OBOE
 Romie de Guise-Langlois, CLARINET
 Alexander Fiterstein, CLARINET
 Jose Franch-Ballester, CLARINET
 Tommaso Lonquich, CLARINET*
 Anthony McGill, CLARINET
 David Shifrin, CLARINET
 Marc Goldberg, BASSOON
 Peter Kolkay, BASSOON
 David Jolley, HORN
 Eric Reed, HORN
 Kevin Rivard, HORN
 Stewart Rose, HORN
 Gábor Boldoczki, TRUMPET
 David Washburn, TRUMPET
 Christopher Froh, PERCUSSION
 Andy Harnsberger, PERCUSSION
 Ayano Kataoka, PERCUSSION
 Ian David Rosenbaum, PERCUSSION
 Milan Turkovic, CONDUCTOR

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 Ryan Meehan, VIOLIN
 Jeremy Berry, VIOLA
 Estelle Choi, CELLO

DANISH STRING QUARTET
 Frederik Øland, VIOLIN
 Rune Tonsgaard Sørensen, VIOLIN
 Asbjørn Nørgaard, VIOLA
 Fredrik Schøyen Sjölin, CELLO

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 Philip Setzer, VIOLIN
 Lawrence Dutton, VIOLA
 Paul Watkins, CELLO

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 Todd Phillips, VIOLIN
 Steven Tenenbom, VIOLA
 Timothy Eddy, CELLO

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*designates a CMS Two Artist



DAVID FINCKEL
AND WU HAN



MATTHEW
LIPMAN



ESCHER STRING QUARTET



KRISTIN
LEE



ALESSIO
BAX

THE 2016-2017 SEASON

REPORT ON THE SEASON



The Chamber Music Society's 47th Anniversary season was one of successful new initiatives and high artistic achievement.

The season began with a sold-out *Summer Evenings* series, a new visual identity, and a completely redesigned website. CMS performances at Shaker Village of Pleasant Hill in Kentucky, recorded for the first PBS television broadcast of *Live From Lincoln Center* documentary filmed outside New York, aired on national public television on September 9, 2016. In concerts throughout the season, CMS followed in the footsteps of the young Felix Mendelssohn, who, like many affluent young men of his time, sought self-education and enlightenment during a Grand Tour through Europe. In all, CMS performed 126 concerts: 58 in New York and 68 on tour, among them the first CMS performance at the White

Nights Festival in St. Petersburg, Russia. CMS education programs served listeners of all ages, and the new website made it possible for CMS to exhibit more of its archival content on the internet. CMS simulcast its 28 livestreams on Facebook Live for the first time, as well as on the CMS website, expanding the global audience for these events. CMS awarded the Elise L. Stoeger Prize of \$25,000 to Huw Watkins in recognition of his contributions to chamber music composition. After conducting rigorous auditions among an international pool of applicants, CMS selected eight new individual CMS Two artists, who will begin their residency in 2018-19.

HIGHLIGHTS FROM ALICE TULLY HALL

SUMMER EVENINGS

The second annual **Summer Evenings** series in Alice Tully Hall was sold out and drew many young people who took advantage of the special \$20 ticket offer for those ages 21-39. About half of audience members were new to CMS. Audiences enjoyed a complimentary wine reception after each concert, courtesy of Millbrook Vineyards & Winery.

Wherever you see highlighted text like this, you'll find a link to the performances online. Just click and listen!

THE EMERSON AT FORTY

Celebrating its 40th anniversary season, the Emerson String Quartet performed a new CMS co-commission, *Shroud* for String Quartet by Mark-Anthony Turnage, which *Classical Source* music critic Violet Bergen described as “phenomenal.” CMS Co-Artistic Director David Finckel, the Emerson’s cellist for 34 years, joined the quartet for Schubert’s Quintet in C major for Two Violins, Viola, and Two Cellos, D. 956, Op. 163.





CMS BAROQUE FESTIVAL

The CMS *Baroque Festival* explored Italian Baroque treasures and gave the first CMS concert comprised entirely of **solo works by Bach**, each composed for a different instrument. The festival culminated in the annual CMS performances of Bach's joyful **Brandenburg Concertos**. CMS gave an unprecedented ten performances of the Brandenburgs in 2016-17: three in Alice Tully Hall and seven touring performances in cities across the U.S.

CLARINET TRIOS

Pianist Inon Barnatan, cellist Alisa Weilerstein, and clarinetist Anthony McGill—all three alumni of the CMS Two program for talented early-career chamber music artists—came together to showcase works for clarinet, cello, and piano by Beethoven and Brahms, and to give the New York premiere of a new piece written for them by Joseph Hallman. Mr. Hallman discussed his new CMS co-commission, **short stories for Clarinet, Cello, and Piano**, in a pre-concert chat.

CMS WINTER FESTIVAL: THE SPIRIT OF MENDELSSOHN

The core of the season's exploration of Mendelssohn's Grand Tour, this festival held up three portraits of the composer that depicted different facets of his music: his dazzling brilliance, his sunny optimism, and his sorrows, particularly the passing of his beloved sister. Each concert presented performances of works by **Mendelssohn** alongside compositions by Schubert, **Beethoven**, and others who influenced or inspired him.

LOVE SONNETS

This program paid tribute to age-old traditions of courtship and love, presenting works by Franck, Ravel, and Dvořák alongside a new work by Jonathan Berger that set love sonnets by Petrarch to music. Mr. Berger's *Rime Sparse* for Soprano, Violin, Cello, and Piano, a co-commission of CMS and the Harris Theater of Music and Dance, was premiered in a critically-acclaimed performance by soprano Julia Bullock, violinist Arnaud Sussmann, cellist Daniel Müller-Schott, and pianist Wu Han.

THE CELLISTS OF LINCOLN CENTER

Inspired by the success of the first Cellists of Lincoln Center concert in 2013, CMS brought together twelve cellists from CMS, the Metropolitan Opera Orchestra, the New York Philharmonic, and The Juilliard School. Joined by soprano Leah Crocetto, conductor (and longtime CMS bassoonist) Milan Turkovic, and narrator Fred Child, host of *Performance Today*, the cellists performed **a wide-ranging program** of works from the Renaissance to modern times.

AMERICA!

The season concluded with works by Samuel Barber, John Corigliano, John Harbison, and William Bolcom, culminating in Aaron Copland's *Appalachian Spring Suite* for Ensemble in a performance that music critic George Grella of *New York Classical Review* called "gorgeous, deeply captivating."



ROSE STUDIO HIGH LIGHTS

The Rose Studio began the 2016-17 season with comfortable new seating, generously funded by the Howard Gilman Foundation. This intimate space, with its full audio and video capabilities, was home to three CMS concert series.

ROSE STUDIO/LATE NIGHT ROSE

This series showcases the talented early-career artists of CMS Two in performances of traditional repertoire twice each evening, with concert seating at 6:30 P.M. and café-style seating, with an engaging host, at a 9:00 P.M. performance which is livestreamed. One of the many highlights was the performance of **Brahms' Sextet No. 2 in G major for Two Violins, Two Violas, and Two Cellos, Op. 36** by the Schumann Quartet, joined by violist Steven Tenenbom and cellist Timothy Eddy of the Orion String Quartet. Another highlight was the Calidore String Quartet's performance of works by **Ligeti** and **Mozart**. *New York Times* music critic Corinna da Fonseca-Wollheim praised the ensemble for its "synergistic brilliance" and "deep reserves of virtuosity." The October 13, 2016 and December 1, 2016 *Late Night Rose* concerts were guest hosted by classical music radio personality Fred Child of *Performance Today*, and these concerts were livestreamed to the *Performance Today* audience as well as on the CMS website and Facebook Live.



ART OF THE RECITAL

These musician-curated programs enable CMS artists to share works they love with the audience. Pianist Gilles Vonsattel gave a rare performance of Frederic Rzewski's **"Winnsboro Cotton Mill Blues"** from *Four North American Ballads* for Piano. Violinist Alexander Sitkovetsky and pianist Wu Qian presented a variety of works for **violin and piano**. Cellist Colin Carr and pianist Thomas Sauer thrilled listeners with their program, which paired two works by Britten with two of **Thomas Adès' compositions**.



NEW MUSIC SERIES HIGHLIGHTS

Audiences heard works by distinguished composers such as Steve Reich and Kaija Saariaho, and younger composers who are making a strong mark, such as **Michael Brown** and Jean-Frédéric Neuburger. Mr. Brown and Mr. Neuburger are also pianists, and they performed their own works on this series. Composer Harold Meltzer introduced his work, **Brion for Flute, Oboe, Violin, Cello, Guitar, and Mandolin** on the first program of the series; *New York Classical Review's* George Grella praised its "marvelous and mysterious sound." CMS also presented an all-French program of new music, and a concert of contemporary works by Chinese and Chinese-American composers. A highlight was the performance of **Red Lantern for Pipa and String Quartet** by Zhao Jiping and Zhao Lin, by the Shanghai String Quartet and pipa player Wu Man.



CMS ON TOUR

CMS gave 68 touring concerts in 2016-17, including its first performances at the White Nights Festival in St. Petersburg, Russia, and an unprecedented seven-city tour of the Brandenburg Concertos. CMS enjoyed a highly successful summer residency at the Saratoga Performing Arts Center, an expanded residency at the University of Georgia in Athens, Georgia, and additional residencies at Purchase College, SUNY; St. Cecilia's in Grand Rapids, Michigan; the Harris Theater in Chicago; the Shaker Village

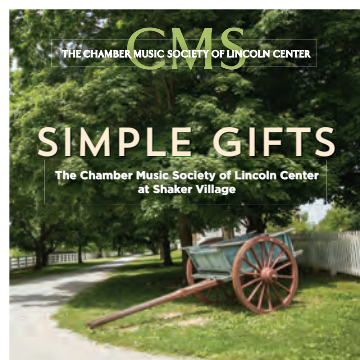
Chamber Music Festival of the Bluegrass in Harrodsburg, Kentucky; and others. Further international engagements included the Bad Kissingen Festival in Germany; Wigmore Hall, London, UK; the Royal Danish Academy in Copenhagen, Denmark; the Shanghai Concert Hall in Shanghai, China; and the National Concert Hall in Taipei, Taiwan. While on tour, CMS artists gave master classes and lectures for local students and audiences, and shared touring experiences on Facebook, Twitter, and Instagram.





CMS MEDIA

CMS began the season with a completely redesigned, mobile-optimized website and a colorful new visual identity. The new website makes it easier than ever for visitors to find information about programs, repertoire, and artists; watch a wide range of CMS livestreams and videos; buy tickets; and donate to CMS. CMS livestreamed 28 events in 2016-17 and, for the first time, simulcast these events on Facebook Live. CMS also extended on-demand viewing of its livestreams from 24 hours to 72 hours. CMS increased its social media presence, sharing new, engaging content in frequent postings and attracting growing followings on Facebook, Twitter, and Instagram.



CMS also enjoyed a 37% increase in watch time on the CMS YouTube channel in 2016-17, reaching over two million minutes watched. The filmed concert and documentary of the Chamber Music Society's residency at the Shaker Village of Pleasant Hill in Harrodsburg, Kentucky was broadcast on PBS's *Live From Lincoln Center* series on September 9, 2016, and the CD recording went to the top of the classical music charts on Amazon and iTunes. The Chamber Music Society's 52-week national radio series was broadcast and streamed to over 10 million listeners nationwide, in Europe, and in Asia. CMS performances also appeared weekly on SiriusXM's *Symphony Hall*.

CHAMBER MUSIC FOR YOUNG AUDIENCES

CMS Young Audience initiatives are attracting a new generation of chamber music lovers to performances and social gatherings with their peers. The Young Patrons program, inaugurated in 2015-16, doubled its membership in 2016-17, from 11 to 22 members. The program, which supports young artists and young audiences, invites its members to attend special events, such as the CMS Brandenburg party, post-concert receptions with the artists, and private concerts at CMS patrons' homes. Chamber Music 360, which offers a subscription package of three tickets for a total of \$60 for young adults ages 21-39, enjoyed another successful season. Young Patrons and young audience members enjoyed special events for their age group, among them a concert and reception with the artists at the Gagosian Gallery, post-concert parties, a food tasting

event in collaboration with the James Beard Foodies Under 40, and more. Young audience attendance at the CMS *Summer Evenings* series grew from 250 in July of 2015 to 290 in July of 2016. CMS also attracted 136 young ticket buyers through a partnership with classical music social network Groupmuse.



EDUCATION PROGRAMS

In 2016-17, CMS succeeded in broadening and deepening the knowledge and appreciation of chamber music among music lovers of all ages in New York City, the tri-state area, and around the world. The wide range of CMS education programs, available in a variety of live and electronic formats, makes it possible for all to enjoy the transformative experience of this beautiful, intimate art form.



MEET THE MUSIC!

This series of three family concerts in Alice Tully Hall was sold out. Children and families enjoyed these imaginative programs, conceived and directed by Bruce Adolphe, CMS Director of Family Programs. *Meet the Music!* concerts blended entertainment and education in explorations of works from Mozart, Beethoven, and Brahms to Mr. Adolphe's ***Tyrannosaurus Sue: A Cretaceous Concerto*** celebrating the discovery of the largest complete set of dinosaur bones ever found. Each concert is preceded by an Instrument Petting Zoo in the lobby of Alice Tully Hall, where children play instruments under the guidance of CMS musicians. CMS keeps ticket prices low, with subscriptions starting at \$27 and single tickets as low as \$10, and contacts groups and organizations to arrange free tickets for underserved families. CMS also gave a *Meet the Music!* touring performance in Princeton, New Jersey.



CHAMBER MUSIC BEGINNINGS (CMB)

This program gave elementary school students in New York City a solid foundation in musical concepts, aligned with the NYC Department of Education's Blueprint for the Arts. In 2016-17, CMB served over 1,100 New York City students from diverse neighborhoods and schools, including schools where over 75% of the students are economically disadvantaged. Students attended entertaining, educational concerts by CMS artists at Flushing Town Hall, Merkin Concert Hall, and in their own classrooms, and engaged in lively Q&As and interactive learning exercises with professional chamber musicians. The program also served students in New Jersey. In addition, CMS gave two CMB concerts in collaboration with Lincoln Center's Boro-Linc program, which brings free family programming to all five boroughs.



YOUNG ENSEMBLES (GRADES 7-8) AND YOUNG MUSICIANS (GRADES 9-12)

These programs provide a rare blend of mentoring and performance for young instrumentalists. The student ensembles, chosen through a competitive process, receive a series of professional coachings from CMS artists and perform every spring. **Young Musicians performed** to a full audience of their teachers, parents, and peers in Alice Tully Hall on April 27, 2017, and the *Young Ensembles* filled the Rose Studio for their performance on May 25, 2017. Both concerts were video recorded and archived on the CMS website. The *Young Ensembles* concert was also livestreamed.

THE YOUNG MUSICIANS EXPANSION PROGRAM

Designed to help more teachers start chamber music programs in their schools, this expanded *Young Musicians* program held its first regional competition on Long Island on January 31, 2017 at the Tilles Center. CMS will add another regional competition in New Jersey in 2018. CMS is working on developing a national presence for *Young Musicians*; international organizations have also shown interest. In June, 2017, CMS was pleased to host students from the LG Chamber Music School of Seoul, Korea, for an intensive week of coaching. The week culminated in a livestreamed concert in the Rose Studio, enabling parents, friends, and peers in Korea and around the world to enjoy their performance.



MUSIC UP CLOSE

Music Up Close invited middle and high school students from the tri-state area to attend five open rehearsals, serving some 300 students in all. This program enables middle and high school students to observe how CMS musicians prepare for a concert. Rehearsals are followed by lively Q&As with the artists. Since many of the students study an instrument, they find these rehearsals inspiring and informative.

STUDENT PRODUCERS

A competitively-selected group of high school students from tri-state area schools met regularly with CMS staff, learned the inner workings of an arts institution through hands-on activities, and planned events to attract fellow students to chamber music. In 2016-17, the students produced three pre-concert events for their peers at Alice Tully Hall, where they had the opportunity to meet the artists and talk with them about the performances.



INSIDE CHAMBER MUSIC

This celebrated series of eight lectures reveals the underlying structures of repertoire performed during the season. In four fall lectures, Mr. Adolphe explored profoundly personal works that defined a new level of expressivity in chamber music. His four spring lectures focused on how the personalities and predilections of Mozart, **Brahms**, Debussy, and Ravel shaped their major works. All eight lectures in 2016-17 were livestreamed and video recorded for easy access on the redesigned CMS website and the CMS YouTube channel.

MASTER CLASSES

Accomplished musicians shared their knowledge and experience with the next generation of chamber music artists, providing invaluable mentorship in front of audiences, who deepened their appreciation of fine musicianship. In five master classes during 2016-17, cellist Keith Robinson, **clarinetist Anthony McGill**, pianist Alessio Bax, bassoonist Milan Turkovic, and violinist Daniel Phillips instructed conservatory students from Stony Brook University, Manhattan School of Music, The Juilliard School, Bard College, and the University of North Carolina School of the Arts in the fine points of interpretation and technique. These master classes were livestreamed, video recorded and archived on the CMS website, and made available on the CMS YouTube channel.



PRE-CONCERT COMPOSER CHATS

Composers Mark-Anthony Turnage, Joseph Hallman, and Jonathan Berger discussed new CMS co-commissions with ticket holders prior to their performance. Mr. Turnage spoke about *Shroud* for String Quartet, written for the Emerson String Quartet. Mr. Hallman discussed his work, *short stories* for Clarinet, Cello, and Piano, written for clarinetist Anthony McGill, cellist Alisa Weilerstein, and pianist Inon Barnatan. Mr. Berger discussed *Rime Sparse* for Soprano, Violin, Cello, and Piano, which was inspired by the love poems by Petrarch. These conversations gave audience members rare opportunities to learn about the background, inspiration, and structure of these works directly from the composers, enriching their listening experience.

CMS TWO

The highly-regarded, rigorously competitive CMS Two program, a three-year residency for extraordinary early-career musicians, provides unparalleled opportunities for young artists to perform in Alice Tully Hall; tour alongside world-renowned musicians; appear in numerous radio broadcasts, recordings, videos, and livestreams; and gain access to a global network of renowned chamber musicians and presenters. Two exciting new CMS Two ensembles, the Calidore String Quartet and the Schumann Quartet, began their residency in October, 2016. In January, 2017, CMS held rigorous auditions and selected the next group of CMS Two individual artists, who begin their residency in the 2018-19 season. CMS Two violist Matthew Lipman has said: "CMS Two is an opportunity that has completely changed my musical life."

CMS OUTREACH

CMS collaborated with Lincoln Center, performing on concerts for cognitively impaired adults and their caregivers as part of the *Lincoln Center Moments* program.

BOARD + STAFF

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The Chamber Music Society is grateful to each and every donor listed on the following pages who provided essential support for our wide-ranging artistic and educational programs through gifts to the Annual Fund, Opening Night, Spring Gala, the Endowment, and Planned Giving. We acknowledge these individuals, foundations, corporations, and government agencies for their generosity. We would also like to thank those donors who support the Chamber Music Society through the Lincoln Center Corporate Fund.

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 Christine Pishko
 James B. Ranck
 Mr. David Rosner

Peter and Sharon Schuur
 Monique and Robert Schweich
 Mr. and Mrs. William G. Selden
 Dr. Robert Silver
 Barbaralee Diamonstein-Spielvogel and Ambassador Carl Spielvogel
 Peter Straus and Katherine Gardella, The Grand Tour Travel Co.
 Alan and Jacqueline Stuart
 Ms. Jane V. Talcott
 Herb and Liz Tulchin
 Tricia and Philip Winterer
 Frank Wolf

YOUNG PATRON GIFTS OF \$500 OR MORE

Jordan C. Agee
 Jamie Forseth
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 Dr. Daniela Jodorkovsky
 Jason Jones
 Yoshiaki David Ko
 Shoshana Litt
 Lucy Lu and Mark Franks
 Katie Nojima

Jason Nong
 Nikolay Pakhomov and Aneta Szpyrka
 Erdem Sahin and Shu-Ping Shen
 Erin Solano
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 Rebecca Wui and Raymond Ko

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 Ms. Mary Martinez
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 Richard Prins and Connie Steensma
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SPECIAL EVENTS

The Chamber Music Society hosted its Spring Gala at Alice Tully Hall on Wednesday, May 24, 2017, and honored Peter Duchin for his thirty years of service on the CMS Board, and his lifelong contribution to the arts. The evening included a cocktail reception, silent auction, a performance of Leclair, Glière, Barlowe, Mendelssohn, and Brahms with artists Orion Weiss, Wu Han, Chad Hoopes, Paul Huang, Danbi Um, Matthew Lipman, Paul Neubauer, Nicholas Canellakis, and David Finckel.

CO-CHAIRS

James and Melissa O'Shaughnessy
 Elizabeth W. Smith

BENEFACTOR

Elinor and Andrew Hoover

PLATINUM

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 William and Inger G. Ginsberg
 Paul and Linda Gridley
 Jane and Peter Keegan
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 Pearl and Erwin Staller
 Joost and Maureen Thesseling
 Alan and Elaine Weiler

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 Joyce B. Cowin
 Linda S. Daines
 Barrett and Peter Frelinghuysen
 Dr. and Mrs. Victor Grann
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Robert and Suzanne Hoglund
 Philip and Alexandra Howard
 Harry P. Kamen
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 Anne and Fred Osborn III
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 Whitney Stewart
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 Mr. and Mrs. Edward W. Zimmerman

SPECIAL THANKS

Calidore String Quartet
 Theodore Cohn
 David Finckel and Wu Han
 Charles and Carol Hamilton
 Paul Huang
 Jewelry by Julie Vos
 Matthew Lipman
 Mary Martinez
 James P. O'Shaughnessy
 Juho Pohjonen
 Susan Schuur
 Arnaud Sussmann
 Jarvis Wilcox

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Eliane Bukantz	Harry P. Kamen
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Mrs. Mary Scott Guest	Sally Wardwell
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Joan Dyer	Millicent McKinley
Joan Ehrlich	Frank Montaturo
Audrey Feldman	Judy Newbold
Annette Fidler	Ruth Phaneuf
Naomi Freistadt	Beth Rabinove
Maruta Friedler	Susan Rauch
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Bill Gerdes	Joe Schwartz
Pearl Glassberg	Helga Sharesian
Carole Kessner	Rita Silverman
Pete Klosterman	Joanna Williams
Richard Komson	Carol Wood
Tom Kranidas	

CMS extends special thanks to Arnold & Porter Kaye Scholer for its great generosity and expertise in acting as pro bono Counsel.

CMS gratefully recognizes Shirley Young for her generous service as International Advisor.

CMS wishes to thank Covington & Burling for acting as pro bono Media Counsel.

INDEPENDENT AUDITORS' REPORT &

FINANCIAL STATEMENTS



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, 2017 and June 30, 2016 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, 2017 and June 30, 2016 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

December 1, 2017

**CONDON
O'MEARA
MCGINTY &
DONNELLY LLP**

Certified Public Accountants

One Battery Park Plaza
New York, NY 10004-1405
Tel: (212) 661 - 7777
Fax: (212) 661 - 4010

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Financial Position

	June 30	
	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 3,380,962	\$ 1,203,935
Due from sale of limited partnerships	519,171	564,530
Contributions receivable	1,031,330	536,603
Prepaid expenses and other current assets	338,188	421,212
Total current assets	<u>5,269,651</u>	<u>2,726,280</u>
Contributions receivable, net of current portion	2,590,989	57,014
Property and equipment, net of accumulated depreciation and amortization	5,917,995	6,075,460
Investments, at fair value	<u>38,758,542</u>	<u>36,213,421</u>
Total assets	\$ 52,537,177	\$ 45,072,175
Liabilities and Net Assets		
Current liabilities		
Accounts payable, taxes payable and accrued expenses	\$ 1,066,483	\$ 825,144
Advance box office receipts	898,670	900,818
Total current liabilities	<u>1,965,153</u>	<u>1,725,962</u>
Net assets		
Unrestricted		
Operating	1,004,660	925,880
Other	<u>17,752,403</u>	<u>16,026,084</u>
Total unrestricted	18,757,063	16,951,964
Temporarily restricted	15,059,538	9,643,849
Permanently restricted	<u>16,755,423</u>	<u>16,750,400</u>
Total net assets	<u>50,572,024</u>	<u>43,346,213</u>
Total liabilities and net assets	\$ 52,537,177	\$ 45,072,175

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Activities
Year Ended June 30, 2017

(with Summarized Comparative Information for the year ended June 30, 2016)

	Unrestricted			Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
	Operating	Other	Total				
Support and revenue							
Contributions	\$ 2,114,124	\$ 335,000	\$ 2,449,124	\$ 233,190	\$ 5,023	\$ 2,687,337	\$ 2,668,319
Contributions – Campaign for the 50 th	66,653	599,847	666,500	3,387,489	-	4,053,989	50,000
Donated services	3,100	-	3,100	-	-	3,100	90,415
Box office receipts	1,681,320	-	1,681,320	-	-	1,681,320	1,682,704
Touring	1,159,640	-	1,159,640	-	-	1,159,640	1,066,007
Long-term investment return designated for current operations	1,690,664	-	1,690,664	-	-	1,690,664	1,794,158
Long-term investment return in excess (deficiency) of spending rate	-	1,376,993	1,376,993	2,493,954	-	3,870,947	(4,342,655)
Other investment return	12,872	7,291	20,163	-	-	20,163	17,891
Rent, royalties and miscellaneous	25,184	-	25,184	-	-	25,184	89,363
Benefits	1,060,993	-	1,060,993	-	-	1,060,993	1,140,812
Less: Direct benefits expenses	(182,987)	-	(182,987)	-	-	(182,987)	(173,690)
Sub-total	7,631,563	2,319,131	9,950,694	6,114,633	5,023	16,070,350	4,083,324
Net assets released from restrictions	628,416	70,528	698,944	(698,944)	-	-	-
Total support and revenue	8,259,979	2,389,659	10,649,638	5,415,689	5,023	16,070,350	4,083,324
Expenses							
Program services							
Performances	4,164,683	301,968	4,466,651	-	-	4,466,651	4,171,115
Touring	1,277,624	20,464	1,298,088	-	-	1,298,088	1,240,826
Education	592,565	25,935	618,500	-	-	618,500	697,346
Commissioning new music	24,500	-	24,500	-	-	24,500	22,495
Recording-production/distribution	568,216	93,410	661,626	-	-	661,626	760,389
Stoeger Prize for composers	-	10,585	10,585	-	-	10,585	25,000
Total program services	6,627,588	452,362	7,079,950	-	-	7,079,950	6,917,171
Supporting services							
Management and general	864,926	19,557	884,483	-	-	884,483	1,007,795
Fundraising	813,657	66,449	880,106	-	-	880,106	885,485
Total supporting services	1,678,583	86,006	1,764,589	-	-	1,764,589	1,893,280
Total expenses	8,306,171	538,368	8,844,539	-	-	8,844,539	8,810,451
Increase (decrease) in net assets before interfund transfers	(46,192)	1,851,291	1,805,099	5,415,689	5,023	7,225,811	(4,727,127)
Interfund transfers	124,972	(124,972)	-	-	-	-	-
Increase (decrease) in net assets	78,780	1,726,319	1,805,099	5,415,689	5,023	7,225,811	(4,727,127)
Net assets, beginning of year	925,880	16,026,084	16,951,964	9,643,849	16,750,400	43,346,213	48,073,340
Net assets, end of year	\$ 1,004,660	\$ 17,752,403	\$ 18,757,063	\$ 15,059,538	\$ 16,755,423	\$ 50,572,024	\$ 43,346,213

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statement of Activities
Year Ended June 30, 2016

	<u>Operating</u>	<u>Unrestricted Other</u>	<u>Total</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Total</u>
Support and revenue						
Contributions	\$ 2,028,249	\$ 148,800	\$ 2,177,049	\$ 486,270	\$ 5,000	\$ 2,668,319
Contributions – Campaign for the 50 th	-	-	-	50,000	-	50,000
Donated services	90,415	-	90,415	-	-	90,415
Box office receipts	1,682,704	-	1,682,704	-	-	1,682,704
Touring	1,066,007	-	1,066,007	-	-	1,066,007
Long-term investment return designated for current operations	1,794,158	-	1,794,158	-	-	1,794,158
Long-term investment return in (deficiency) of spending rate	-	(1,123,972)	(1,123,972)	(3,218,683)	-	(4,342,655)
Other investment return	15,339	2,552	17,891	-	-	17,891
Rent, royalties and miscellaneous	89,363	-	89,363	-	-	89,363
Benefits	1,140,812	-	1,140,812	-	-	1,140,812
Less: Direct benefits expenses	(173,690)	-	(173,690)	-	-	(173,690)
Sub-total	7,733,357	(972,620)	6,760,737	(2,682,413)	5,000	4,083,324
Net assets released from restrictions	468,858	194,921	663,779	(663,779)	-	-
Total support and revenue	<u>8,202,215</u>	<u>(777,699)</u>	<u>7,424,516</u>	<u>(3,346,192)</u>	<u>5,000</u>	<u>4,083,324</u>
Expenses						
Program services						
Performances	3,886,888	284,227	4,171,115	-	-	4,171,115
Touring	1,225,333	15,493	1,240,826	-	-	1,240,826
Education	673,179	24,167	697,346	-	-	697,346
Commissioning new music	22,495	-	22,495	-	-	22,495
Recording-production/distribution	593,725	166,664	760,389	-	-	760,389
Stoeger Prize for composers	-	25,000	25,000	-	-	25,000
Total program services	<u>6,401,620</u>	<u>515,551</u>	<u>6,917,171</u>	<u>-</u>	<u>-</u>	<u>6,917,171</u>
Supporting services						
Management and general	991,265	16,530	1,007,795	-	-	1,007,795
Fundraising	841,254	44,231	885,485	-	-	885,485
Total supporting services	<u>1,832,519</u>	<u>60,761</u>	<u>1,893,280</u>	<u>-</u>	<u>-</u>	<u>1,893,280</u>
Total expenses	<u>8,234,139</u>	<u>576,312</u>	<u>8,810,451</u>	<u>-</u>	<u>-</u>	<u>8,810,451</u>
Increase (decrease) in net assets before interfund transfers	(31,924)	(1,354,011)	(1,385,935)	(3,346,192)	5,000	(4,727,127)
Interfund transfers	148,363	(148,363)	-	-	-	-
Increase (decrease) in net assets	<u>116,439</u>	<u>(1,502,374)</u>	<u>(1,385,935)</u>	<u>(3,346,192)</u>	<u>5,000</u>	<u>(4,727,127)</u>
Net assets, beginning of year	<u>809,441</u>	<u>17,528,458</u>	<u>18,337,899</u>	<u>12,990,041</u>	<u>16,745,400</u>	<u>48,073,340</u>
Net assets, end of year	<u>\$ 925,880</u>	<u>\$ 16,026,084</u>	<u>\$ 16,951,964</u>	<u>\$ 9,643,849</u>	<u>\$ 16,750,400</u>	<u>\$ 43,346,213</u>

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Functional Expenses
Year Ended June 30, 2017
(with Summarized Comparative Information for year ended June 30, 2016)

	2017							2016				
	Program Services				Supporting Services			Total	Total	Total		
	Performances	Touring	Education	Commissioning New Music	Recording- Production/ Distribution	Stoeger Prize	Total	Management and General	Fund- Raising	Total	Total	Total
Salaries and benefits	\$1,396,682	\$ 225,126	\$ 306,092	\$ -	\$ 254,030	\$ -	\$2,181,930	\$ 408,981	\$ 557,014	\$ 965,995	\$3,147,925	\$3,180,983
Artists' fees	670,344	764,350	103,350	24,500	-	-	1,562,544	2,000	16,750	18,750	1,581,294	1,541,305
Travel	141,604	238,394	5,936	-	-	-	385,934	7,292	3,804	11,096	397,030	298,017
Marketing and promotion	625,662	6,060	1,183	-	39,423	-	672,328	-	-	-	672,328	707,129
Box office	44,600	-	-	-	-	-	44,600	-	-	-	44,600	41,268
Hall rental and labor	812,171	-	116,425	-	49,590	-	978,186	-	22,346	22,346	1,000,532	823,002
Music purchase and rental	5,567	64	485	-	-	-	6,116	-	-	-	6,116	4,998
Programs, brochures and inserts	144,085	196	17,280	-	-	-	161,561	-	11,157	11,157	172,718	188,961
Professional fees	26,735	4,863	3,800	-	177,558	-	212,956	132,872	17,763	150,635	363,591	463,722
Dues, conferences, subscriptions	-	-	300	-	-	-	300	11,345	1,467	12,812	13,112	14,807
Catering and hospitality	10,048	2,433	8,148	-	-	-	20,629	33,892	126,097	159,989	180,618	186,345
Supporting services	-	-	-	-	-	-	-	26,804	-	26,804	26,804	26,932
Honorariums and music awards	917	-	-	-	-	-	917	-	-	-	917	960
Insurance	-	-	-	-	-	-	-	51,768	-	51,768	51,768	51,570
Messengers, postage, mailing	44,165	113	3,570	-	-	-	47,848	5,108	5,158	10,266	58,114	70,079
Software	-	-	-	-	-	-	-	84,600	-	84,600	84,600	77,322
Telephone	-	-	-	-	-	-	-	22,112	-	22,112	22,112	21,301
Furniture, equipment and maintenance	2,638	-	-	-	4,848	-	7,486	12,958	-	12,958	20,444	18,954
Stoeger prize	-	-	-	-	-	10,585	10,585	-	-	-	10,585	25,000
Depreciation and amortization	301,968	20,464	25,935	-	93,410	-	441,777	19,429	50,511	69,940	511,717	551,008
Rose Studio maintenance	160,836	10,809	14,314	-	19,392	-	205,351	14,577	41,536	56,113	261,464	238,993
Tuning and other production	62,211	11,601	11,158	-	23,375	-	108,345	-	820	820	109,165	118,454
CDs, materials, and reference	1,544	-	358	-	-	-	1,902	8,610	13,586	22,196	24,098	22,037
Office supplies and miscellaneous	14,874	13,615	166	-	-	-	28,655	42,135	12,097	54,232	82,887	69,246
Bad debts	-	-	-	-	-	-	-	-	-	-	-	68,058
Total functional expenses	\$4,466,651	\$1,298,088	\$ 618,500	\$ 24,500	\$ 661,626	\$ 10,585	\$7,079,950	\$ 884,483	\$ 880,106	\$1,764,589	\$8,844,539	\$8,810,451

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statement of Functional Expenses
Year Ended June 30, 2016

	2016										
	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	\$1,371,177	\$ 287,098	\$ 276,465	\$ -	\$ 240,121	\$ -	\$2,174,861	\$ 397,487	\$ 608,635	\$1,006,122	\$3,180,983
Artists' fees	592,400	764,250	145,813	22,392	-	-	1,524,855	700	15,750	16,450	1,541,305
Travel	140,238	125,234	22,246	-	-	-	287,718	9,320	979	10,299	298,017
Marketing and promotion	639,057	6,277	392	-	61,403	-	707,129	-	-	-	707,129
Box office	41,268	-	-	-	-	-	41,268	-	-	-	41,268
Hall rental and labor	631,609	-	129,872	-	44,450	-	805,931	-	17,071	17,071	823,002
Music purchase and rental	4,808	172	18	-	-	-	4,998	-	-	-	4,998
Programs, brochures and inserts	150,801	-	27,394	-	1,250	-	179,445	-	9,516	9,516	188,961
Professional fees	28,458	7,937	17,685	-	203,029	-	257,109	204,263	2,350	206,613	463,722
Dues, conferences, subscriptions	-	284	-	-	-	-	284	12,557	1,966	14,523	14,807
Catering and hospitality	10,865	4,295	15,224	-	-	-	30,384	39,685	116,276	155,961	186,345
Supporting services	-	-	-	-	-	-	-	26,932	-	26,932	26,932
Honorariums and music awards	960	-	-	-	-	-	960	-	-	-	960
Insurance	-	-	-	-	-	-	-	51,570	-	51,570	51,570
Messengers, postage, mailing	53,367	310	3,920	-	-	-	57,597	6,519	5,963	12,482	70,079
Software	-	-	-	-	-	-	-	77,322	-	77,322	77,322
Telephone	-	-	-	-	-	-	-	21,301	-	21,301	21,301
Furniture, equipment and maintenance	3,362	-	592	-	3,792	-	7,746	11,208	-	11,208	18,954
Stoeger prize	-	-	-	-	-	25,000	25,000	-	-	-	25,000
Depreciation and amortization	284,227	15,493	24,167	-	166,664	-	490,551	16,226	44,231	60,457	551,008
Rose Studio maintenance	144,913	14,225	13,136	-	16,314	-	188,588	13,153	37,252	50,405	238,993
Tuning and other production	66,155	9,573	19,807	-	22,474	-	118,009	-	445	445	118,454
CDs, materials, and reference	647	-	261	-	-	-	908	7,503	13,626	21,129	22,037
Office supplies and miscellaneous	6,803	5,678	354	103	892	-	13,830	43,991	11,425	55,416	69,246
Bad debts	-	-	-	-	-	-	-	68,058	-	68,058	68,058
Total functional expenses	\$4,171,115	\$1,240,826	\$ 697,346	\$ 22,495	\$ 760,389	\$ 25,000	\$6,917,171	\$1,007,795	\$ 885,485	\$1,893,280	\$8,810,451

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Cash Flows

	Years Ended June 30	
	2017	2016
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 7,225,811	\$ (4,727,127)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	511,717	551,008
Permanently restricted contribution	(5,023)	(5,000)
Donated stock	(213,753)	(77,369)
Proceeds from sale of donated stock	213,753	77,369
Net realized and unrealized (gain) loss on long-term investments	(5,522,653)	2,540,889
(Increase) decrease in assets		
Contributions receivable	(3,028,702)	(229,196)
Bequest receivable	-	4,000,000
Prepaid expenses and other current assets	83,024	(108,430)
Increase (decrease) in liabilities		
Accounts payable, taxes payable and accrued expenses	241,339	(14,469)
Advance box office receipts	(2,148)	(10,094)
Net cash provided by (used in) operating activities	<u>(496,635)</u>	<u>1,997,581</u>
Cash flows from investing activities		
Proceeds from sale of investments	14,637,164	4,341,827
Purchase of investments	(11,659,632)	(8,576,314)
Proceeds from sale of limited partnerships	45,359	2,388,321
Purchases of property and equipment	(354,252)	(299,233)
Net cash provided by (used in) investing activities	<u>2,668,639</u>	<u>(2,145,399)</u>
Cash flows provided by financing activities		
Permanently restricted contribution	<u>5,023</u>	<u>5,000</u>
Net increase (decrease) in cash and cash equivalents	2,177,027	(142,818)
Cash and cash equivalents, beginning of year	<u>1,203,935</u>	<u>1,346,753</u>
Cash and cash equivalents, end of year	<u>\$ 3,380,962</u>	<u>\$ 1,203,935</u>

See notes to financial statements.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements
June 30, 2017 and June 30, 2016Note 1 – Organization and summary of significant accounting policiesNature 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.

Interfund Transfers

During fiscal years 2017 and 2016, the Board of Directors approved interfund transfers of \$124,972 and \$148,363, respectively, from the unrestricted other fund to the unrestricted operating fund.

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.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016

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

Contributions (continued)

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.

Donated services

The Society receives in-kind goods and services that are used in support of its activities. The goods and services are recorded at the fair value based on what it would have cost the Society if purchased independently. For the fiscal years ended June 30, 2017 and June 30, 2016, the Society received donated legal services totaling \$3,100 and \$90,415, respectively, which are reflected as donated services and a corresponding expense in the statements of functional expenses. The Society has volunteers who provide periodic administrative support to the subscriptions and development department. In addition, the Society receives in-kind services rendered by other volunteers including Board members who have donated significant amounts of their time to the Society's activities. These services do not meet the criteria for recognition under the accounting standards and accordingly, have not been reflected in the financial statements.

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 equities 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.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016

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

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.

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.

The fair value of the Society's investments in certain limited partnerships are determined using the net asset value (NAV) per share and are not included in the valuation hierarchy. These investments are reflected as a reconciling item between the total amount of investments classified within the fair value hierarchy and the total investments measured at fair value on the face of the statement of financial position.

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.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016

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

Advertising costs

Advertising costs are expensed as incurred and amounted to \$516,553 and \$508,633 in the 2017 and 2016 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, education, 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.

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.

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 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 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, 2017. The Society routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. Management of the Society monitors the collectibility of contributions 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 1, 2017, which is the date the financial statements were available to be issued.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016

Note 2 – Contributions receivable

Contributions receivable, net of discount, as of June 30, 2017 and June 30, 2016 are as follows:

Fiscal Year	2017	2016
2017	\$ -	\$ 536,603
2018	1,031,330	60,000
2019	796,500	-
2020	796,500	-
2021	846,500	-
2022	380,000	-
Sub-total	3,850,830	596,603
Less amount to reduce contributions receivable to their present value (discount rate – 3.25%)	(228,511)	(2,986)
Total	\$ 3,622,319	\$ 593,617

Note 3 – Investments

Investments as of June 30, 2017 and June 30, 2016 consisted of the following:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Equities and other	\$ 14,190,452	\$ 15,230,124	\$ 7,858,358	\$ 6,677,789
Investments in limited partnerships and other*				
U.S. equities	300,000	8,194,629	3,700,000	9,858,823
International equities	3,600,000	10,259,964	3,600,000	8,145,121
Fixed income	2,406,647	2,613,848	3,872,484	5,096,199
Multi-strategy**	-	41,271	2,300,000	3,209,451
Private equity and other	1,594,119	2,418,706	2,314,436	3,226,038
Total long-term investments	\$ 22,091,218	\$ 38,758,542	\$ 23,645,278	\$ 36,213,421

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

** This balance represents the fair value in excess of the Society's invested capital. The Society's invested capital has been fully distributed as of June 30, 2017.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016**

Note 3 – Investments (continued)

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.

During June 2015, the Society redeemed its interest in two limited partnerships totaling \$2,952,851. Approximately \$2,888,000 of these funds were received by the Society as of June 30, 2016. The balance was received during the 2017 fiscal year.

During June 2016, the Society redeemed a portion of the interest in another limited partnership totaling \$500,000. This amount was received during the 2017 fiscal year.

During June 2017, the Society redeemed a portion of the interest in another limited partnership totaling \$519,171. As of June 30, 2017, this amount had not been received and is reflected as due from sale of limited partnerships on the statement of financial position. As of December 1, 2017, all funds were received.

The following table presents the Society's financial assets that are measured at fair value on a recurring basis at June 30, 2017 and 2016:

Description	Fair value measurements at June 30, 2017			
	Total	Level 1	Level 2	Level 3
Equities and other	\$ 15,230,124	\$ 15,230,124	\$ -	\$ -
Investments in limited partnerships and other:				
U.S. equities	8,194,629	-	-	8,194,629
Private equity and other	2,071,842	-	-	2,071,842
Sub-total of investments	25,496,595	\$ 15,230,124	\$ -	\$ 10,266,471
Investments in limited partnerships and other measured at NAV				
International equities	10,259,964			
Fixed income	2,613,848			
Multi-strategy	41,271			
Private equity and other	346,864			
Total investments	\$ 38,758,542			

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016**

Note 3 – Investments (continued)

Description	Fair value measurements at June 30, 2016			
	Total	Level 1	Level 2	Level 3
Equities and other	\$ 6,677,789	\$ 6,677,789	\$ -	\$ -
Investments in limited partnerships and other:				
U.S. equities	8,485,444	-	-	8,485,444
Multi-strategy	1,899,533	-	-	1,899,533
Private equity and other	2,678,705	-	-	2,678,705
Sub-total of investments	19,741,471	\$ 6,677,789	\$ -	\$ 13,063,682
Investments in limited partnerships and other measured at NAV				
U.S. equities	1,373,379			
International equities	8,145,121			
Fixed income	5,096,199			
Multi-strategy	1,309,918			
Private equity and other	547,333			
Total investments	\$ 36,213,421			

The following is a summary of changes in the fair value of the Society's Level 3 investments for the years ended June 30, 2017 and June 30, 2016:

	U.S. Equities	Multi-Strategy	Private Equity and Other	Total
Balance, June 30, 2015	\$ 8,391,802	\$ 2,337,434	\$ 2,343,284	\$ 13,072,520
Transfers out	-	(500,000)	(168,415)	(668,415)
Net realized and unrealized gain (loss)	93,642	62,099	(231,975)	(76,234)
Purchases	-	-	735,811	735,811
Balance, June 30, 2016	8,485,444	1,899,533	2,678,705	13,063,682
Transfers out	(1,900,000)	(1,978,246)	(826,792)	(4,705,038)
Net realized and unrealized gain	1,609,185	78,713	219,929	1,907,827
Balance, June 30, 2017	\$ 8,194,629	\$ -	\$ 2,071,842	\$ 10,266,471

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016Note 3 – Investments (continued)

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	NAV per Share	Redemption Frequency	Next Withdrawal Date
U.S. Equities - 1	1 fund with 60 days	N/A	Quarterly	12/31/2017
International Equities - 3	1 fund with 10 days	131	Monthly	12/31/2017
	2 funds with 90 days	2,237	Monthly	12/31/2017
		126	Annual	6/30/2018
Fixed Income - 3	2 funds with 60 days	8,891	Quarterly	Liquidating
		2,086	Quarterly	12/31/2017
	1 fund with 90 days	694	Quarterly	Liquidating
Multi-strategy - 1	1 fund with 90 days	2,983	Quarterly	Liquidating

Private Equity and other - 7 Capital is returned by each partnership over its contractual life.

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, 2017 and June 30, 2016.

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 these 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.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016Note 3 – Investments (continued)Level 3 valuation technique (continued)

Investment return and its classification in the statement of activities for the year ended June 30, 2017 were as follows:

	Unrestricted	Temporarily Restricted	Total
Dividends and interest	\$ 129,530	\$ -	\$ 129,530
Royalties from oil/gas leases	11,986	-	11,986
Net realized and unrealized gain	3,028,699	2,493,954	5,522,653
Net return on long-term investments	3,170,215	2,493,954	5,664,169
Interest on short-term investments	887	-	887
Net return on investments	3,171,102	2,493,954	5,665,056
Less: Amounts designated for current operations			
Long-term investment (loss)	(1,690,664)	-	(1,690,664)
Other investment (loss)	(20,163)	-	(20,163)
Investment advisory fees	(79,596)	-	(79,596)
Unrelated business income taxes	(3,686)	-	(3,686)
Long-term investment return after deduction of amounts designated for current operations	\$ 1,376,993	\$ 2,493,954	\$ 3,870,947

Note 4 – Property and equipment

Property and equipment consisted of the following as of June 30, 2017 and June 30, 2016:

	Useful Life	2017	2016
Furniture, pianos and equipment	5-20 years	\$2,030,926	\$1,750,588
Rose Building: interior	10-20 years	2,696,015	2,668,802
Rose Building: core and shell	10-40 years	2,752,428	2,705,728
Alice Tully Hall leasehold improvements and other improvements	3-30 years	5,158,177	5,158,176
Sub-total		12,637,546	12,283,294
Less: Accumulated depreciation and amortization		7,000,198	6,488,481
Sub-total		5,637,348	5,794,813
Land		280,647	280,647
Total		\$5,917,995	\$6,075,460

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016**

Note 5 – Commitments

The Society entered into various commitments for compositions, hall rentals, and artists’ contracts. As of June 30, 2017 the following is a summary of the annual future commitments:

<u>Fiscal year</u>	<u>Amount</u>
2018	\$2,276,875

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 the deficit in fiscal year 2017 was \$141,876 and its share of the surplus in fiscal year 2016 amounted to \$10,440.

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 \$191,407 and \$177,526 in the 2017 and 2016 fiscal years, respectively.

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 LCPA 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 2017 and 2016, the Society contributed \$79,724 and \$100,750, respectively, to the nonunion pension plan, although no contributions were required by the Employee Retirement Income Security Act.

During February 2017, the Society adopted a modified soft freeze of this plan pursuant to which its eligible employees will continue to participate in the plan after June 30, 2017, with a “career average pay” plan design at a 1.5% accrual rate in lieu of the existing plan accrual formula, which shall be frozen effective June 30, 2017. This change does not affect the pension benefit accruing to vested employees through and including June 30, 2017. The employees hired by the Society after June 30, 2017, shall not be eligible to participate in the plan, but will instead be eligible to receive employer contributions under a defined contribution plan at a contribution rate to be determined from time to time, in consultation with the Finance Committee, subject to a vesting schedule.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016**

Note 6 – Pension and retirement plans (continued)

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 2017 or 2016 fiscal years, respectively.

Note 7 – Net assets

The Society reports its restricted net assets in accordance with accounting standards topic 958 – Endowments. The Society follows the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds existing on or established after the date it was enacted.

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. The Society has adopted the policy that investment return generated from permanently restricted funds is to be recorded as temporarily restricted until such time as appropriated by the Board of Directors.

In order to provide seed funding for the Society to undertake, in a responsible and sustainable way, select new projects which provide special innovation and growth possibilities, the Society’s Board approved establishing a “Fund for Innovation and Growth” of \$800,000. In establishing the Fund, the Board set forth a rigorous process for identifying projects and deploying funds, including review and approval by the Executive Committee and approval by the Board, and the requirement that each project become self-sustaining after three years. The Society deployed funds totaling \$82,233 and \$78,363 for the 2017 and 2016 fiscal years, respectively. At June 30, 2017 the remaining balance in the Fund totaled \$639,404.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016**

Note 7 – Net assets (continued)

On October 19, 2016, the Board of Directors adopted a plan to launch a *Campaign for the 50th* as the Society approaches its 50th anniversary. The Campaign’s purpose is to both raise annual operating funds and to increase the board designated endowment fund in order to strengthen and grow its financial sustainability and secure continuation of its leadership position into the future as the foremost presenter and producer of chamber music in the world. As of the end of the 2017 fiscal year, Board Members have signed pledges totaling \$4,332,500 to the Campaign over and above their current annual giving. Of these gifts, 90% will be allocated to the board designated endowment and 10% will be allocated to a Campaign Operating Fund to be spent for current operations as needed. The present value of the total outstanding pledges at June 30, 2017 discounted at the rate of 3.25%, amounts to \$3,287,489 and is included in contributions receivable on the statement of financial position.

Measure of operations

The Society’s measure of operations is its operating results from revenues and expenses that are an integral part of its programs and supporting activities. The measure of operations includes investment return equal to \$1,690,664 and \$1,794,158 for fiscal 2017 and 2016, respectively, as determined by a spending rate policy of 4.5% and 5.0% in 2017 and 2016, respectively, of a twelve-quarter rolling average of the fair value of the endowment. The Society compares the twelve-quarter rolling average to a twenty-quarter rolling average to ensure compliance with NYPMIFA. 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.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2017 and June 30, 2016**

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, 2017:

	Balance June 30, 2016	Contributions	Investment Return	Net Assets Released from Restrictions	Balance June 30, 2017
A combination of new productions, new performances, tours, educational or audience outreach programs	\$ 2,358,038	\$ -	\$ -	\$ -	\$ 2,358,038
Time restricted/donor designated for activities in future years	1,063,969	233,190	-	(688,359)	608,800
Stoeger Prize for composers	107,786	62,498	-	(10,585)	159,699
Capital campaign-time restricted	-	3,387,489	-	-	3,387,489
Unspent investment return earned on endowment funds	<u>6,114,056</u>	<u>-</u>	<u>2,431,456</u>	<u>-</u>	<u>8,545,512</u>
Total temporarily restricted net assets	<u>\$ 9,643,849</u>	<u>\$ 3,683,177</u>	<u>\$ 2,431,456</u>	<u>\$ (698,944)</u>	<u>\$ 15,059,538</u>

The Society may expend the restricted net assets for program activities shown in the first line of the table on the previous page, 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, 2017 and June 30, 2016

Note 7 – Net assets (continued)

Measure of operations (continued)

Permanently restricted net assets as of June 30, 2017 and June 30, 2016 consisted of the following endowment funds:

	<u>2017</u>	<u>2016</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>4,068,301</u>	<u>4,063,278</u>
Total permanently restricted net assets	<u>\$ 16,755,423</u>	<u>\$ 16,750,400</u>

As of June 30, 2017 and 2016, 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.

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER

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