

Nurturing Our Repertory

From the Ballet Master in Chief

During my time leading New York City Ballet, I have tried to honor the Company's historic mission of encouraging new, contemporary repertory. This has not been without its challenges. George Balanchine and Jerome Robbins succeeded so well at making ballets here in their lifetimes that it would be easy to devote all of our resources to preserving their masterpieces. In fact, we spend much of our energy in exactly this service.

Yet I know how excited Lincoln, Jerry, and Mr. B. would have been to have witnessed the remarkable creativity that burst forth from New York City Ballet in this past year—so inspirational at a time when our city had been wounded by the destruction of the Twin Towers. We invited a number of choreographers, composers, and designers to work with our gifted dancers, musicians, and creative staff, and the Company reaped enormous riches from their combined talents.

Among those who have enriched our repertory is Christopher Wheeldon, the young, much-acclaimed choreographer who has delighted our audiences with his originality and vitality over the past few years, and for whom we created the post of Resident Choreographer. In addition, our Artists in Residence program, now in its second year, brought us six young costume designers who learned about the unique challenges of designing for dance, and who created costume designs for both workshop and stage productions.

The major outpouring of creativity was found in our tenth anniversary celebration of the Diamond Project, for which we presented eight new ballets by seven different choreographers, as well as revivals of 15 works from past years. Since 1992, we have commissioned a total of 47 ballets by **25** different choreographers, and the celebration was a reminder of the positive impact that the creative process can have on both our artists and our audiences.

A great deal of the credit for this decade of new choreography goes to Irene Diamond, who has both inspired and sustained our mission of building new repertory. Irene has provided extraordinary support not only for the Diamond Project, but also for the New York Choreographic Institute, which gives choreographers and dancers creative opportunities that they would not find elsewhere.

This year also marked the tenth anniversary of the New Combinations Fund, and this is not incidental to our creative accomplishments. At a basic level, artists need a place to work and the resources to practice their craft, and members of our New Combinations Fund, along with our many other patrons and our remarkable audience, have created a climate here where artists can flourish.

I am deeply grateful to all those who supported us in this extraordinarily challenging year, as well as to our exceptional dancers, musicians, other artists, and professional staff, whose commitment to our ongoing excellence remains the very cornerstone upon which our Company is built.

—Peter Martins



Aesha Ash and Sébastien Marcovici in *Haiku*
Choreography by Albert Evans
Photo © Paul Kolnik

An Extraordinary Year

From the Chairman



Jenifer Ringer in *Who Cares?*
Choreography by George Balanchine
© The George Balanchine Trust
Photo © Paul Kolnik

New York City Ballet was in Parma, Italy, performing at the Verdi International Festival on the day of the attack on the Twin Towers, and returned home a week later to a city in mourning. In the year that followed, the undeniable power of art to renew and restore was reaffirmed again and again.

As did so many institutions in this city New York City Ballet provided solace to those in need in ways best suited to its abilities. Our New York season began with an Opening Night tribute to our city including a stirring improvisation on "America the Beautiful" by surprise guest artist Wynton Marsalis.

In dark times one becomes more aware and appreciative of the community that sustains us. For those of us bound together by a love of classical dance and the beauty and grace it brings to our lives, to be at the ballet was perhaps the greatest comfort. We are nevertheless grateful to all of you, our audience, for the extraordinary loyalty you showed us. Your faith and investment in the Company helped to sustain us, contributing to strong ticket sales in what was otherwise a difficult year for many arts organizations.

The unusual closeness of this community we call New York City Ballet was further evidenced by the many patrons and donors who supported the Company, despite a slowing economy. You made it possible to maintain an ambitious performance schedule, including the creation of eight new ballets presented as part of the tenth anniversary of the Diamond Project. Among those who deserve special mention are The Irene Diamond Fund, for leadership support of this anniversary celebration, and The Andrew W. Mellon Foundation, which came forward with an extraordinary grant to offset losses in tourism sales and unanticipated costs resulting from the events of September 11.

Many of you also continued to offer your support to The Campaign for New York City Ballet, which began in 1999. By year's end, nearly \$41 million in gifts and pledges had been raised, most designated for endowment. In addition to contributing critical investment income to our annual operations, the campaign has also made possible a number of new initiatives, including the New York Choreographic Institute, the New York City Ballet Archive, and our Artists in Residence program. I especially want to thank Agnes Gund and Daniel Shapiro and Bob and Martha Lipp for their leadership gifts to help endow the Institute.

It is our great fortune to have Peter Martins at the helm of the Company; his leadership ensures the highest possible artistic and business standards. Our Board of Directors and Advisory Board have also demonstrated remarkable guidance and generosity through this tumultuous time, and I want to express my gratitude for all that they did. Special thanks go to Randal R. Craft, Jr., Theodore C. Rogers, and HRH Prince Pavlos of Greece who completed their terms of service on the board this year. Their devotion to NYCB has been exceptional, and we very much hope that they will remain close to us in the future. Finally, we mourn the passing of Director Emerita Edith Halpern, who played such a masterful role in the Company's formative years. She shall be missed.

Without the steadfast commitment of our audience members and patrons, we could not have met the challenges of the past year—some previously unimaginable—nor could we continue to work toward building an ever-brighter future for the Company. On behalf of everyone at New York City Ballet, I thank you.

—Howard Solomon

Season Highlights 2001-2002

Winter Season

New York City Ballet's 2001-2002 winter season began with a special Opening Night program on November 20, 2001—"A Tribute to the Spirit of New York"—as the Company sought, following the events of September 11, to show its appreciation to the city and its people, and most especially its loyal audience. The program featured *Serenade*, "The Man I Love" *pas de deux* from *Who Cares?*, and the rousing and moving finale from *Stars and Stripes*. Wynton Marsalis made a surprise appearance, improvising on "America the Beautiful" and adding a trumpet obligato to "The Man I Love." A portion of the proceeds from the benefit, which was sponsored in part by Forest Laboratories, was donated to The Children's Aid Society to assist those displaced by the World Trade Center tragedy, in keeping with the Company's longstanding commitment to the education of children in New York.



NYCB Ensemble in *Stars and Stripes*
Choreography by George Balanchine
© The George Balanchine Trust
Photo © Paul Kolnik

NYCB found other ways to reach out to the city following September 11. During its annual presentation of *George Balanchine's The Nutcracker*™, sponsored by Citibank for the fifth year in a row, the Company added a special free performance on November 27 for the families of those affected by the attacks. Dancers, musicians, stagehands, and staff of NYCB all donated their time. This performance was made possible through the generosity of Gillian Attfeld and the Harriet Ford Dickenson Foundation. Additional funds were provided by The Liman Foundation. NYCB also offered complimentary tickets to relief workers and their families for select performances throughout the winter and spring repertory seasons.

Special thanks go to The Andrew W. Mellon Foundation for a \$400,000 gift to help offset the economic impact of the events of September 11. This one-time grant, along with the steadfast commitment of the Company's family of patrons, was instrumental in helping NYCB meet its budget while continuing to present some of the finest performances in classical dance.



Janie Taylor, Sébastien Marcovici
and Benjamin Millepied
in *Hallelujah Junction*
Choreography by Peter Martins
Photo © Paul Kolnik

The winter repertory season, which ran from January 2 through February 24, included three New York premieres of ballets by Peter Martins: *Viva Verdi* and *Quartet for Strings*, which had their world premieres at the Verdi Festival in Italy in September 2001, and *Hallelujah Junction*, originally created for the Royal Danish Ballet in March 2001, and the most recent of the many ballets Mr. Martins has choreographed to music by John Adams. NYCB's production of *Hallelujah Junction* was supported by a generous gift from Dr. and Mrs. Raymond R. Sackler. The winter season also featured the Company premiere of *Telemann Overture Suite in E minor*, choreographed by NYCB *corps de ballet* member Melissa Barak. This work had its first performances in spring 2001 as part of the School of American Ballet's Annual Workshop.

In February Mr. Martins selected Carla Körbes to receive the Janice Levin Dancer Award. This annual award, established in 2000 through a generous endowment gift from longtime NYCB and SAB board member and patron Janice Levin, is bestowed upon a promising member of the NYCB *corps de ballet* who also studied at the School of American Ballet. Ms. Körbes, who is from Brazil, studied at SAB from 1996 until she joined the Company in 2000.

Spring Season

In the spring 2002 season, which ran from April 30 through June 30, New York City Ballet celebrated the tenth anniversary of the Diamond Project, the showcase for new choreography created in 1992. When Peter Martins conceived of the Diamond Project, he saw it as serving three functions: giving choreographers the opportunity to create new works within the vocabulary of classical ballet, providing dancers with the chance to be a part of the creative process, and presenting audiences with a challenging and exciting new ballet repertory. The project is named for the philanthropist Irene Diamond, who made a lead gift for the first festival and continued to help make the project possible through her extraordinary support of new choreography at NYCB. In addition to 15 works created for past festivals, the season included eight world premieres from seven choreographers: Melissa Barak, Stephen Baynes, Mauro Bigonzetti, Albert Evans, Miriam Mahdaviani, Peter Martins, and Christopher Wheeldon.

The Company's Spring Gala on May 8 was a special highlight of the Diamond Project anniversary celebration. The evening, which was sponsored by Merrill Lynch, featured premieres of three of the new ballets—two by Mr. Martins and one by Mr. Bigonzetti—as well as a preview of Mr. Evans' work and performances of Ulysses Dove's *Red Angels* (a Diamond Project ballet from the 1994 festival), and Mr. Martins' *Jeu de Cartes* from the inaugural festival in 1992. On May 30, the PBS program "Live from Lincoln Center" aired "New York City Ballet's Diamond Project: Ten Years of New Choreography," which included returning and new ballets alike, along with interviews with choreographers, musicians, and dancers who participated in the Diamond Project.

During the spring season, six costume designers were selected to work with the Company as artists in residence, a recent initiative made possible by the Campaign for New York City Ballet. Catherine Barinas, Rebecca Baygents, Tom Gold, Julius Lumsden, Alysia Raycraft, and Emilio Sosa worked on a variety of projects under the supervision of Holly Hynes, the Company's Director of Costumes. Three of the designers created costumes for Diamond Project ballets, and five worked with choreographers participating in the spring 2002 session of the New York Choreographic Institute to create design concepts for their dance works. These designers will continue their work with the Company during the 2002-2003 season.

The Diamond Project tenth anniversary celebration was underwritten by The Irene Diamond Fund, Geoffrey C. Hughes Foundation, and the Fan Fox and Leslie R Samuels Foundation, Inc., with corporate sponsorship from Philip Morris Companies Inc. Major support was also provided by the Lila Acheson and DeWitt Wallace Fund for Lincoln Center, The Eleanor Naylor Dana Charitable Trust, The Norman & Rosita Winston Foundation, the National Endowment for the Arts, the New York City Department of Cultural Affairs, and contributors to the Repertory and New Combinations Funds. Ms. Barak's ballet, *If By Chance*, was supported in part by a gift from Xenia Krinitzky Roff and a 2001 Choo-San Goh Award for Choreography from the Choo-San Goh & H. Robert Magee Foundation. Ms. Mahdaviani's ballet, *In the Mi(d)st*, was supported in part by a grant from The Harkness Foundation for Dance.

Spring 2002 also marked the tenth anniversary of New York City Ballet's New Combinations Fund, which was established in 1992 under the leadership of NYCB board members Denise Saul and Daniel Shapiro to provide the Company with a greater base of support for the creation and presentation of new work. This committed group of patrons, today chaired by NYCB Board President Bob Lipp, Martha Lipp, and Bill Wright, continues both to attract new members and to raise funds for new choreography.



NYCB Ensemble
in *Bach Concerto V*
Choreography by Peter Martins
Photo © Paul Kolnik

Beyond New York City



Miranda Weese and Damian Woetzel in *Ballo della Regina* Choreography by George Balanchine © The George Balanchine Trust Photo © Paul Kolnik

In July 2001, New York City Ballet headed to upstate New York for its 36th season at the Saratoga Performing Arts Center. Among the highlights of the three-week summer residency were Balanchine's *A Midsummer Night's Dream*, *Swan Lake*, and *The Four Temperaments*; Peter Martins' *Zakouski* and *Morgen*; Christopher Wheeldon's *Variations Sérieuses*; and Jerome Robbins' *Dances at a Gathering* and *The Concert*. Mr. Martins also presented previews of two new works set to music by Giuseppe Verdi in preparation for the Company's appearance at the Verdi Festival in Parma, Italy, later in the summer.

In August, New York City Ballet embarked on a three-city tour that began with a one-week appearance at the Edinburgh International Festival. The Company first performed in Edinburgh in 1952, again in 1967, and most recently during the summer of 2000. As was fitting after such a long hiatus, the program in 2000 primarily featured NYCB's signature Balanchine and Robbins repertory. For the 2001 visit, the Festival, which is known for new and experimental work, specifically requested that the Company present a program of newer works. Over the course of seven performances, the Company presented 13 recent works, nine of which were created as part of the Diamond Project. Following the Edinburgh Festival, NYCB traveled to Athens where it performed for the first time since 1965 under the auspices of the Athens Festival. The Company's two performances at the spectacular Odeon Herod Atticus open-air amphitheater at the Acropolis featured Balanchine's *Ballo della Regina*



NYCB Ensemble in *Viva Verdi* Choreography by Peter Martins Photo © Paul Kolnik

and *Symphony in C* and Robbins' *Dances at a Gathering*, all enthusiastically received by the sold-out Festival audiences.



Wendy Whelan in *The Four Seasons* Choreography by Jerome Robbins Photo © Paul Kolnik

The tour concluded with a week-long engagement at the Verdi Festival in Parma, Italy. New York City Ballet was invited to appear at the newly refurbished Teatro Regio as the sole dance attraction in a year-long celebration of the 100th anniversary of the death of Giuseppe Verdi. For this occasion, the Festival commissioned Peter Martins to choreograph two new works to Verdi music. These ballets—*Viva Verdi*, set to variations from *La Traviata*, and *Quartet for Strings*, set to the String Quartet in E minor—were performed alongside Balanchine's *Ballo della Regina* and Robbins' *The Four Seasons* in a tribute program. The Company also performed a second program of signature works by Balanchine, Robbins, and Mr. Martins. NYCB's stay in Greece and Italy included a special trip for Company patrons, who visited sites in Athens and Parma and surrounding regions, in addition to attending NYCB performances and events.

The Campaign for New York City Ballet

Throughout the year, New York City Ballet patrons continued to respond generously to the Company's efforts to raise funds for endowment and several important new initiatives through the Campaign for New York City Ballet. By June 30, 2002, gifts and pledges totaled \$40.9 million. Among those making significant unrestricted gifts for endowment were Anne and Thomas Hubbard/Harriet Ford Dickenson Foundation, The Joelson Foundation, Louisa Stude Sarofim, Linda and Alan Englander, and Belle and Murray Nathan. New York City Ballet also received leadership gifts for two important initiatives begun under the auspices of the campaign: the New York Choreographic Institute and the New York City Ballet Archive.

New York City Ballet Archive

The New York City Ballet Archive was established to organize, preserve, and make accessible original materials from the Company's past. NYCB Director Emerita Nancy Norman Lassalle has provided leadership for this effort. The archive includes photographs, videotapes, films, music scores, costumes, stage designs, and personal papers that not only have value for scholars, but also for NYCB artists and staff who regularly use these materials to accomplish their work.

This year's major initiative was the restoration of the Company's vast repository of videotapes. The tapes provide a crucial record of NYCB's repertory and the singular qualities that different dancers invest in their roles. Dancers, ballet masters, and conductors rely on these tapes for preparation of each season's ballets. During the year, collections from the School of American Ballet, The George Balanchine Trust, and the Estate of Tanaquil Le Clercq were also added to the archive, along with materials contributed by Edward Bigelow.

The overall work of the archive was supported by a major grant from The Gladys Kriebel Delmas Foundation with additional funding from the National Endowment for the Arts. The videotape restoration and transfer to digital format were made possible by a special campaign gift from Howard and Judy Berkowitz and a challenge grant from the New York City Department of Cultural Affairs.



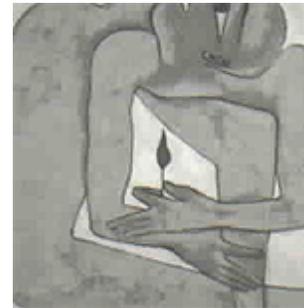
Maria Tallchief and Tanaquil Le Clercq outside London's Covent Garden theater in 1950

New York Choreographic Institute

The New York Choreographic Institute, which was founded in 2000, came into its own this past year. Along with two choreographic sessions, there were master classes, a symposium, and several opportunities for participants to learn more about other artists and art forms that might inform their work.

In the fall of 2001, David Fielding, Tom Gold, Charlotte Griffin, Jessica Lang, Matjash Mrozewski, and James Sewell participated in the choreographic session using dancers from NYCB, while the spring 2002 session included Sabrina Matthews, Benjamin Millepied, Alexei Ratmansky and Damian Woetzel, who choreographed on advanced students from the School of American Ballet. Each two-week session culminated in a private showing of choreographic work for an invited audience comprised of dancers, NYCB and SAB colleagues, and patrons supporting this work.

Among other opportunities for Institute participants were guided tours at the Museum of Modern Art with Robert Storr, curator of painting, and attendance at other dance performances around the city. In the spring, to help choreographers understand the role of lighting in the presentation of ballet, NYCB lighting director Mark Stanley taught a class for current and past Institute participants. Two hours were spent in the studio exploring how music inspires design as well as choreography, and two hours were spent in the Clark Studio Theater looking at how light works on stage.



**New York Choreographic
Institute's logo designed
by Francesco Clemente**



**Students from The School of American
Ballet perform a new work by Damian
Woetzel**

This year's symposium, held in the Walter Reade Theater, featured R. John Wiley, Ph.D., a professor of music at the University of Michigan and noted expert on the great Russian choreographer Marius Petipa. Dr. Wiley's presentation focused on Petipa's use of music, particularly that of Tchaikovsky with whom Petipa often collaborated. In June, NYCB Music Director Andrea Quinn organized two informal presentations with music publishers G. Schirmer and Boosey & Hawkes, which were open to any choreographers who have participated in the Institute or the Diamond Project. The sessions introduced the choreographers to a range of composers.

The creation of the New York Choreographic Institute was made possible by a leadership gift from The Irene Diamond Fund. Major funding for the Institute's endowment has been provided by Bob and Martha Lipp, Agnes Gund and Daniel Shapiro, and Anne and Thomas Hubbard/Harriet Ford Dickenson Foundation, with additional endowment gifts from James C. and Marie Nugent-Head Marlas and David

and Susan Viniar. In 2001-2002, NYCB also received generous gifts to support the current expenses of the Institute from Susan and Peter W. Schweitzer and the New York State Council on the Arts, a state agency.

Resident Choreographer

At the beginning of the 2001-2002 season, Peter Martins established the position of Resident Choreographer for the Company and named Christopher Wheeldon to the post. When announcing the appointment, Mr. Martins said, "This position will provide Chris with an ongoing relationship with New York City Ballet, and provide a wonderful opportunity for our dancers and audiences alike." During his first year as Resident Choreographer, Mr. Wheeldon premiered *Morphoses*, set to music by Gyorgy Ligeti. In previous years, Mr. Wheeldon created several popular ballets for the Company, including *Scenes de Ballet*, *Variations Sérieuses*, and *Polyphonia*. (The latter two were created during his year-long tenure as the Company's first artist in residence.) Mr. Wheeldon's work as Resident Choreographer was funded in part by a grant from the Geoffrey C. Hughes Foundation.

Education and Outreach

In 2001-2002, New York City Ballet continued to offer an extensive array of education and outreach programs to engage audiences, teach participants about the Company's repertory and introduce children and people of all ages to ballet. Programs in the public schools, serving students in elementary grades through high school, proved especially effective at using dance to engage students in language arts and the humanities while providing exposure to and building a greater appreciation for classical dance.

Of the Company's public school programs, NYCB is particularly proud of *Ballet Bridges*. Over the past five years, the *Ballet Bridges* program has grown considerably and now reaches nearly 1,200 elementary and middle school students' from 15 schools across New York City and the surrounding metropolitan area. This four-month interdisciplinary program is designed to meet New York State and City learning standards for what students in elementary and middle school should know about dance, and is integrated with academic subjects being studied at each grade level. The program is built around five basic components: 12 movement workshops taught by teaching artists; nine classroom lessons into which dance topics are integrated; a special lecture-demonstration of ballet history and training, which students attend at Lincoln Center; a matinee performance of work from NYCB's repertory at the New York State Theater; and a showcase of dances that students choreograph and present at their schools with the coaching of their teachers and teaching artists.

Ballet Bridges Participating Schools, 2001/2002

Elementary Schools

C.E.S. 2X, Morrisania School, The Bronx, N.Y.
Cedar Place School, Yonkers, N.Y.
International School at Dundee, Riverside, Conn.
P.s. 9, Manhattan, N.Y.
P.S. 23, Manhattan, N.Y.
P.S. 46, Tappan School, Yonkers, N.Y.
PS. 84, Manhattan, N.Y.
P.S. 153, The Bronx, N.Y.
P.S. 207, Queens, N.Y.
Woodrow Wilson School, Weehawken, N.J.

Middle Schools

Columbus Academy, Manhattan, N.Y.
I.S. 228, David A. Boody, Brooklyn, N.Y.
1.S. 227, Edward B. Shallow, Brooklyn, N.Y.
Thurgood Marshall Academy, Manhattan, N.Y.
Woodrow Wilson School, Weehawken, N.J.

NYCB also offered The Nutcracker Project in 2001-2002, which helped fourth and fifth-grade students develop language skills and artistic expression while providing an introduction to NYCB and classical dance through workshops in their schools and attendance at a matinee performance of *George Balanchine's The Nutcracker*™. Each of the 34 public school districts in New York City was able to select a participating school, and some 1,800 students took part. In addition, the *New York City Ballet Workout* was offered as a semester-long physical education elective to 2,000 area public high school students, who also attended a Company performance.



Penny Jacobus, Melissa Barak, Holly Hynes, Miriam Mahdavian and Ellen Sorrin at an NYCB Seminar, students' work from The Nutcracker Project.



Alexandra Ansanelli and Damian Woetzel in *Morphoses*
Choreography © Christopher Wheeldon
Photo © Paul Kolnik

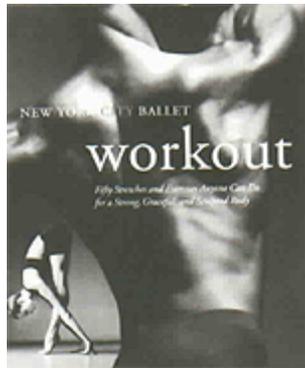
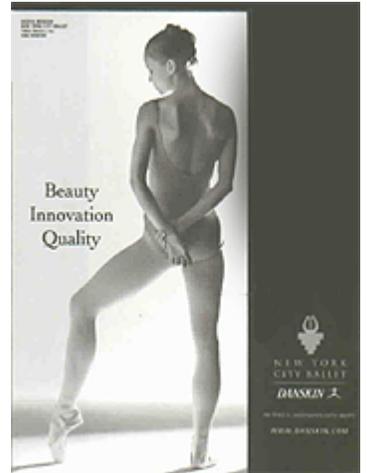


Throughout the year, NYCB offered a number of educational programs for its audiences. Families could participate in *Family Fanfare*, an entertaining lecture demonstration that provides a basic introduction to ballet, and *Ballet for Young People*, an hour-long interactive program through which children learn about specific aspects of ballet such as music or choreography. Both new and long-time audience members had the opportunity to enrich their knowledge of ballet through various discussion and seminar series that include NYCB dancers, musicians, and production staff, as well as guest artists. NYCB also continued to make \$10 student rush tickets available to high school and college students.

Non-traditional Media

In August 2001, New York City Ballet entered into a licensing agreement with Danskin, which has been manufacturing dancewear since 1882, to create a premium line of contemporary dance apparel. The concept and production were developed over a period of six months, and the collection was shown to buyers in early 2002. At the same time, an elegant and dramatic marketing campaign was developed around the concept of "Beauty, Innovation, Quality." Starting in late 2002, the collection is being sold through 500 specialty stores and catalogs nationwide.

In 2001, the Mattel Corporation went into the film business, and asked New York City Ballet to assist in its first major production. *Barbie in the Nutcracker* was released in September 2001 and has since sold more than four million copies in home video and DVD. Through sophisticated motion-capture technology pioneered for the video game industry, movement choreographed by Peter Martins for NYCB dancers Maria Kowroski, Charles Askegard, Benjamin Millepied, Janie Taylor, and Abi Stafford was translated into digital data that became the basis for dance scenes featuring the film's animated characters. Mattel also produced a special documentary in association with New York City Ballet, "Living a Ballet Dream: Six Dancers Tell Their Stories," which was included on the DVD. The documentary gives young girls a realistic and positive exposure to ballet through the experiences of NYCB dancers Maria Kowroski and Aesha Ash and four students from the School of American Ballet.



The New York City Ballet Workout video/DVD, which was released in spring 2001, went on to achieve notable sales over the course of the year. A joint project of NYCB and Palm Pictures, it was the best-selling fitness video for Amazon.com for 2001, as well as one of Amazon.com's top-ten videos of the year.

NYCB Online: www.nycballet.com

The New York City Ballet website continues to play an important role in ticket sales, merchandise sales, and audience development. During the 2001-2002 season, the site was enhanced with new content, including color headshots for all of the dancers, a ballet history timeline for children, and an annotated listing of the entire NYCB repertory. In addition, site registration was added. Registered users are given a "personalized" website experience and have access to special content, including "Dancer of the Week" and "Ballet of the Week" features. Through registration, the Company can track visitor preferences and better serve those patrons. As of June 30, 2002, over 2,000 individuals had registered.

During the past year, NYCB's site logged over 1.6 million visits, a 27 percent increase over the previous season. Over 14 percent of all tickets sold during the year were purchased through www.nycballet.com, representing a 32 percent increase in ticket revenue generated by the website. Major support for the development of the NYCB website was provided by Gillian Atfield and the Harriet Ford Dickenson Foundation. A generous grant for web-based audience development activities, including the student rush ticket program, was contributed by the William H. Kearns Foundation.

Volunteers



NYCB Ensemble in *Opus 19/The Dreamer*
Choreography by Jerome Robbins
Photograph © Paul Kolnik

NYCB's dedicated volunteers continued to provide invaluable service to the Company. Volunteers were most visible at performances, staffing the information tables and the Gift Shop, assisting with Green Room receptions for NYCB donors, and leading docent activities for audience members. In addition, many individuals made contributions that were largely unseen, though much appreciated. Volunteers provided regular administrative help to the Company's development and special events departments and assisted the marketing department in sales campaigns by writing short descriptions of ballets in the repertory. Others processed rehearsal visit requests and helped manage NYCB'S ticket donation program.

On Monday mornings, volunteers with teaching experience lead tours of the theater for pre-kindergarten classes. The volunteers teach the children about the NYCB repertory using a tape of excerpts from signature works, and take them backstage, where they can see the orchestra pit, learn about costumes and pointe shoes, and even take a bow onstage. In 2001-2002, over 430 children took tours at the theater.

More young professionals are volunteering their time through the Business & Professional Committee. A primary focus of the Committee is introducing new audiences to the ballet, which the group does through two annual events that help to support the Dancers' Emergency Fund.

Statements of Financial Position

at June 30, 2002 and 2001
(in thousands)

	2002	2001
Assets		
Cash and cash equivalents	\$ 5,279	\$ 4,789
Investments	115,452	60,789
Pledges receivable	9,857	71,118
Accounts receivable	558	686
Inventory	258	291
Deferred production costs	491	605
Due from CCMD	386	843
Leasehold in Rose Building and other fixed assets, less accumulated depreciation of \$4,866 in 2002 and \$4,314 in 2001	<u>9,830</u>	<u>8,811</u>
Total Assets	<u>\$142,111</u>	<u>\$147,932</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$4,229	\$4,352
Advance ticket sales and other deferred expenses	—	95
Payroll related liabilities due to CCMD	599	566
Payroll related and other liabilities	<u>2,230</u>	<u>2,319</u>
Total liabilities	<u>7,058</u>	<u>7,332</u>
Net Assets:		
Unrestricted:		
Undesignated	8,109	6,245
Investment in Rose Building	6,393	6,745
Board designated (see note 7)	23,003	30,743
	<u>37,505</u>	<u>43,733</u>
Temporarily restricted:		
Future productions	1,359	1,639
Time and other restrictions	4,332	6,160
Dancer's emergency	579	544
	<u>6,270</u>	<u>8,343</u>
Permanently restricted:		
Wallace Endowment	57,747	57,737
Unrestricted endowments	17,850	15,944
Restricted endowments (see note 7)	15,681	14,843
	<u>91,278</u>	<u>88,524</u>
Total net assets	<u>135,053</u>	<u>140,600</u>
Total liabilities and net assets	<u>\$142,111</u>	<u>\$147,932</u>

The accompanying footnotes are an integral part of these financial statements.

Statements of Activities

For the year ended June 30, 2002 and 2001
(in thousands)

	<u>2002</u>	<u>2001</u>
Changes in unrestricted net assets		
Operating revenues:		
Performance ticket sales and tour fees	\$ 22,426	\$ 21,388
Investment income not to exceed spending policy	3,923	2,873
Other revenues	<u>958</u>	<u>1,027</u>
Total operating revenue	<u>27,307</u>	<u>25,288</u>
Operating expenses:		
Program services:		
Ballet production costs	30,911	30,604
Facility expenses	3,637	3,649
Production management expenses	2,913	2,794
	<u>37,461</u>	<u>37,047</u>
Supporting services:		
Administration	3,440	3,122
Public support expense	4,179	4,254
	<u>7,619</u>	<u>7,376</u>
Total Operating expense	<u>45,080</u>	<u>44,423</u>
Loss from operations before public support	<u>(17,773)</u>	<u>(19,135)</u>
Public support including utilization of temporarily restricted net assets:		
Appropriation from the City of New York	1,094	1,056
Other governmental agencies	450	525
Special events	3,464	3,647
Guild memberships and activities	2,408	2,255
Foundations	6,685	6,316
Corporations	1,517	1,666
Individuals	3,393	2,953
Estates and trusts	<u>274</u>	<u>1,181</u>
Total Public Support	<u>19,285</u>	<u>19,599</u>
Operating Surplus	1,512	464
Investment income (under) over spending policy	<u>(7,740)</u>	<u>(635)</u>
(Decrease) increase in unrestricted net assets	\$ (6,228)	\$ 1,099

Changes in temporarily restricted net assets

Public support:

City Support	\$ 1,675	\$ 75
Other government	167	185
Foundations	1,515	5,840
Corporations	933	937
Individuals	495	199
Estates and trusts	—	45
Utilization of temporarily restricted net assets	(6,837)	(7,159)
Change in value of split-interest arrangements	<u>(21)</u>	<u>(93)</u>
(Decrease) increase in temporarily restricted net assets	<u>(2,073)</u>	<u>29</u>

Change in permanently restricted net assets**Public Support**

Other Government	200	—
Foundations	1,867	4,646
Corporations	13	7
Individuals	619	1,608
Estates and trusts	<u>45</u>	<u>49</u>
Subtotal	2,744	6,310
Lila Acheson and DeWitt Wallace Fund	<u>10</u>	<u>57,737</u>
Increase in permanently restricted net assets	<u>2,754</u>	<u>64,047</u>

Change in total net assets	(5,547)	65,175
Net assets		
Beginning of year	<u>140,600</u>	<u>75,425</u>
End of year	<u>\$ 135,053</u>	<u>\$ 140,600</u>

The accompanying footnotes are an integral part of these financial statements.

Statements of Cash Flows

For the year ended June 30, 2002 and 2001
(in thousands)

	2002	2001
Cash flows from operating activities		
Change in net assets:		
Unrestricted	\$ (6,228)	\$ 1,099
Temporarily restricted	(2,003)	29
Permanently restricted	<u>2,754</u>	<u>64,047</u>
	(5,547)	65,175
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	552	554
Contributions restricted for long-term activities	(2,217)	(760)
Net losses (gains) on investments	(20,616)	(1,344)
(Increases) decreases in assets:		
Pledges receivable	61,261	(60,757)
Accounts receivable	128	(470)
Inventory	33	(45)
Deferred production costs	114	60
Due from CCMD	457	(604)
Increases (decreases) in liabilities:		
Accounts payable and accrued expenses	(123)	1,474
Advance ticket sales	(95)	30
Payroll-related liabilities due to CCMD	33	25
Payroll-related and other liabilities	<u>(89)</u>	<u>121</u>
Net cash provided by operating activities	<u>75,123</u>	<u>3,459</u>
Cash flows from investing activities		
Proceeds from sale of investments	72,786	40,666
Purchase of investments	(148,066)	(45,974)
Fixed-asset purchases	<u>(1,570)</u>	<u>(353)</u>
Net cash used in investing activities	<u>(78,850)</u>	<u>(5,661)</u>
Cash flows from financing activities		
Endowment contributions	2,217	760
Net cash provided by financing activities	<u>2,217</u>	<u>760</u>
Net increase (decrease) in cash and cash equivalents	<u>490</u>	<u>(1,442)</u>
Cash and cash equivalents		
Beginning of year	<u>4,789</u>	<u>6,231</u>
End of year	<u>\$ 5,279</u>	<u>\$ 4,789</u>

The accompanying footnotes are an integral part of these financial statements.

Footnotes

Footnote 1. Summary of Financial Statement Presentation and Significant Accounting Policies

The New York City Ballet, Inc. (City Ballet) is a not-for-profit organization and a constituent of City Center of Music and Drama, Inc. (CCMD). City Ballet operates as an entity independent of CCMD that provides certain services as described further below. CCMD is the sole member of City Ballet.

City Ballet is a tax-exempt organization and, accordingly, is not subject to income tax in accordance with §501(c) (3) of the Internal Revenue Code and has been classified as a publicly supported organization as defined in §509(a) (2) of the Code. Contributions to City Ballet are tax deductible to contributors as provided by law.

The following is a summary of significant accounting policies consistently followed by City Ballet in the preparation of its financial statements.

Financial statement presentation

The accounts of City Ballet are maintained in accordance with the principles of fund accounting. This procedure classifies resources for accounting purposes into funds established to reflect the activities and objectives specified by donors and/or City Ballet's Board of Directors. The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require that a not-for-profit organization's statement of financial position report the amounts for each of three classes of net assets—permanently restricted, temporarily restricted, and unrestricted—based upon the existence or absence of donor-imposed restrictions. The preparation of financial statements requires management to make assumptions and estimates that affect the amounts reported.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less.

Property and equipment

City Ballet does not own any land or buildings. Purchases of furniture and equipment that are not material are charged to current operations. Significant additions are capitalized and are depreciated using the straight-line method over the estimated useful lives of the assets.

Investments

Investments are stated at market value. Donated securities are initially recorded at market value at the date of gift.

Board-designated funds

Board-designated funds have been established by City Ballet as part of unrestricted net assets for purposes similar to those with donor-imposed restrictions. In June 1991 the Board adopted a policy permitting management to budget and expend a percentage (5.0% for 2002 and 2001) of a moving average of quarterly market values of its investment portfolio. The difference between this calculated amount and actual investment income is shown as "Investment income (under) over spending policy" in the Statement of Activities and added to "Board Designated."

Endowments, NEA and working capital reserve

Endowments, including certain National Endowment for the Arts (NEA) Challenge Grant funds, are subject to the donor-imposed restriction requiring that the gift be maintained in perpetuity with only the income being utilized. All such funds are included as part of permanently restricted net assets. Amounts may be withdrawn from these funds during the year to finance current operations, with the condition that all withdrawals are fully repaid in cash prior to that fiscal year-end. Investment income from these funds is available for operations.

Public support, grants, and contributions

City Ballet reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as part of public support including utilization of temporarily restricted net assets.

Production costs

City Ballet charges costume, scenery and other production costs for current productions to expense as incurred. Costs relating to future productions are deferred until the year in which the productions are first presented.

Allocation of expenses, income and support

CCMD provides services to City Ballet in connection with its operation and management of the New York State Theater and other administrative and accounting services under a management and services agreement. CCMD's New York State Theater facility expenses, facility income, and New York City facility support are allocated among the constituents based upon the number of scheduled performance weeks in the theater during the year. Administrative revenue and expense are allocated equally among the constituents except for contributions and grants restricted for theater improvements, depreciation of donated equipment and facilities, and certain interest income. Allocated expenses result in inter-company receivables and payables that are periodically liquidated through cash transfers.

Footnote 2. Investments

The following is a summary of quoted market value of investments and cash equivalents as of June 30th (in thousands):

	2002	2001
Equities	\$ 84,320	\$ 33,293
Corporate bonds	300	300
Government bonds	14,518	17,109
Diversified hedge funds	14,272	10,087
Real estate investment trust	2,041	—
Cash equivalents	5,481	4,555
	\$ 120,932	\$ 65,344

Total (loss)/income from investments amounted to \$(3,818,000) and \$3,508,000 in 2002 and 2001, respectively. Year to year variation is due to market fluctuations and the performance of the portfolio managers.

Footnote 3. Pledges receivable Pledges have been recorded at their present value, net of applicable discounts of \$800,000 and \$1,032,000 in 2002 and 2001, respectively. No provision for un-collectible pledges has been made. Pledges specifically for City Ballet's endowment, net of applicable discounts, totaled \$6,118,000 and \$67,345,000 in 2002 and 2001, respectively. Pledges are expected to be collected as follows (in thousands):

	2002	2001
Less than one year	\$ 5,807	\$ 65,377
One to five years	4,050	5,741

Footnote 4. Pension Plans

City Ballet participates in a noncontributory, defined-benefit pension plan (the Plan) for nonunion, salaried employees of CCMD and its constituents. Pension benefits are based on years of service and final average compensation, as defined in the Plan. Plan benefit obligations and assets are combined for all participants of the Plan. The policy is to annually fund the required contribution necessary to comply with the Employee Retirement Income Security Act of 1974.

City Ballet's allocated net periodic pension cost was \$239,000 and \$210,000 for 2002 and 2001, respectively. City Ballet's allocated accrued pension cost at June 30, 2002 and 2001 was \$643,000 and \$656,000, respectively. Amounts are allocated to City Ballet based on a separately performed actuarial valuation of City Ballet's participation in the Plan. Separate information regarding the components of pension cost, the fair value of plan assets, and accumulated and projected benefit obligations is not available for City Ballet. Such information, along with the key actuarial assumptions, is contained in the financial statements of CCMD.

City Ballet also contributes to union pension plans based upon a percentage of employee salaries. Pension costs associated with these plans amounted to \$1,780,000 and \$1,698,000 in 2002 and 2001, respectively.

Footnote 5. Commitments

Samuel B. and David Rose Building (Rose Building):

During fiscal 1985, City Ballet entered into an agreement whereby it contributed, based on space usage, a pro rata share of the costs of the Rose Building. Under the agreement, City Ballet received a 99-year lease for its space. Construction costs were capitalized and are being amortized over the anticipated useful life of the building. Depreciation began in fiscal 1992 when the space was put into service, and amounted to \$352,000 for 2002 and 2001. Also under the terms of the lease, in addition to its own' operating costs, City Ballet is committed to pay its share of common area costs.

Warehouse and telemarketing office:

During 2002 and 2001, City Ballet leased space for two warehouses and a telemarketing office. Rent expense for 2002 and 2001 was \$199,000 and \$178,000, respectively. Future minimum lease payments under these leases at June 30, 2002 are (in thousands) \$140 for 2003, \$131 for 2004, \$107 for 2005, \$97 for 2006 and \$370 for the period 2007 through 2010.

Footnote 6. Postretirement and Post-employment Benefits Other than Pensions

In 1978, CCMD adopted the policy of providing the option to certain employees with 20 years of service and who were years of age upon their retirement from the Ballet or CCMD to continue in the group medical and life insurance plan, at no cost to the employee. The CCMD Board of Governors ended this policy in April 1995 for employees who had not vested in this benefit. In 1997 the CCMD Board of Governors re-instituted this benefit for all active employees who had, at that date, already achieved the requisite 20 years of service. In addition, City Ballet contracts with various unions include provisions for severance payments to members after they reach a predetermined length of service. City Ballet funds both of these obligations using the pay-as-you go method.

Net postretirement cost for the year ended June 30, 2002 and 2001, and the accumulated obligation at year-end for City Ballet employees (included in Payroll related and other liabilities) and for City Ballet's share of CCMD's employees (included in Payroll-related liabilities due to CCMD), are summarized as follows (in thousands):

	2002	2001
Net Periodic post-retirement benefit cost:		
Service	\$ 3	\$ 4
Interest	41	41
Amortization of prior years' service cost	6	6
Amortization of accumulated gain	<u>3</u>	<u>3</u>
	53	54
Actual Payments	<u>(32)</u>	<u>(27)</u>
<i>Net Change</i>	21	27
Accumulated obligation		
Beginning of year	<u>486</u>	<u>459</u>
End of year	\$ 507	\$ 486

The accumulated postretirement benefit obligation was actuarially determined as of June 30, 2000 using an assumed discount rate of 7.5% and **7.25%**, beginning June 30, 2001. The assumed rate of future increases in health care ranged from 6 to 10% in the first year and is expected to decline to 4% by the year 2011. Had the health-care cost-trend rate assumption been increased by 1%, the accumulated postretirement benefit obligation as of June 30, 2000 would have increased by 8.4%. The effect of this change on the sum of the service and interest cost components of net periodic postretirement benefit cost would have been an increase of 8.5%.

Footnote 7. Net asset Designations and Restrictions

City Ballet's Board has designated some of its unrestricted net assets for certain purposes as follows (in thousands):

	2002	2001
Cash/Investment reserves	\$ 7,091	\$ 7,091
Fuctioning as endowment	11,070	18,810
Touring	1,606	1,606
Repertory	<u>3,236</u>	<u>3,236</u>
	\$23,003	\$30,743

City Ballet's donors have restricted the income from some of their endowment contributions for certain purposes as follows (in thousands):

	2002	2001
Touring	\$ 2,975	\$ 2,975
Martins repertory fund	3,000	3,000
Levin Dancer	1,000	1,000
Education	715	634
Scenic design maintenance	212	199
Robbins repertory fund	35	25
Choreographic Institute	5,244	4,563
Balanchine repertory	2,285	2,242
Kirstein apprentice and loan funds	<u>215</u>	<u>205</u>
	\$ 15,681	\$ 14,843

Report Of Independent Accountants

Eisner

September 18, 2002

To the Board of Directors of New York City Ballet, Inc.

We have audited the accompanying statements of financial position of the New York City Ballet, Inc. ("City Ballet") as of June 30, 2002 and 2001 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of City Ballet's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of the New York City Ballet, Inc. as of June 30, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Eisner LLP".

Eisner LLP
Accountants and Advisors