

2000 Annual Report

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Building for the Future *Howard Solomon - Chairman*

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The photographs in this annual report depict choreography copyrighted by the choreographer. Use of this annual report does not convey the right to reproduce the choreography, sets or costumes depicted herein. Inquiries regarding the choreography of George Balanchine shall be made to:

The George Balanchine Trust
20 Lincoln Center
New York, NY 10023

Carrying on a Tradition

When dance historians look back on the year 2000 at New York City Ballet, they may very well view it as a watershed year. Remarkable developments in almost all areas of our artistic efforts characterized this period, from new choreography to new music leadership to preserving our artistic heritage.

Our founder George Balanchine believed in the creative process of making new ballets—for the excitement it brought the dancers, the choreographer and the audience, but mostly to perpetuate our status as the foremost neo-classical ballet company in the world. He not only made an astonishing number of works himself, he was also ever vigilant to ask others to make dances here as well, including Jerome Robbins.

This year we commissioned ten new works, beginning with Twyla Tharp who gave us *The Beethoven Seventh*. Christopher Wheeldon, who retired from dancing, and will become the Company's first-ever artist in residence next season, gave us *Mercurial Manoeuvres*, featuring the music of Dmitri Shostakovich. The spring season featured eight new ballets under the banner of the fourth Diamond Project, which included new works by Christopher d'Amboise, Robert La Fosse/Robert Garland, Kevin O'Day, Miriam Mahdavian, and Helgi Tomasson.

It is in part through the generosity of Irene Diamond that we are able to produce the Diamond Project, and Irene must also be singled out for her extraordinary contribution to The Campaign for New York City Ballet, which has helped to establish the New York Choreographic Institute. The Institute will serve as a laboratory for choreographers from around the world, and will further both analysis and appreciation for choreography as an art form. The Campaign has also made it possible for us to begin a formal effort to archive our history.

Regarding the unfortunate labor stoppage on the part of our orchestra, I will only say that from a profound difference has emerged a new spirit of cooperation and dedication to music. With the appointment of Andrea Quinn as Music Director, we are excited about the future of our orchestra.

None of these artistic accomplishments would be possible without the steadfast support of our Board of Directors, our many generous patrons and, of course, our devoted audience. I am deeply grateful to everyone for their continued support, and for their special gifts to our Campaign.

Peter Martins—*Ballet Master in Chief*



Maria Kowroski
in George Balanchine's *Mozartiana*
© The George Balanchine Trust

Building For The Future

Following our 50th anniversary last year in 1999, we expected a somewhat more sedate 2000. Instead, it began with a roar—a totally unexpected walkout by our orchestra on our winter season opening night gala. Nevertheless, reviewing the entire year in perspective, it was a year of great accomplishment, artistically and operationally.



Janie Taylor and Jared Angle in Peter Martin's *Harmonielehre*

The strike by the orchestra, although deeply disturbing when it occurred, did result in a resolution which is fair to the orchestra and NYCB. It is the dancers and the musicians together who produce those beautiful and sometimes sublime experiences that give both the performers and the audience so much pleasure. The strike's resolution required statesmanship by our orchestra and the Company's management and confirmed the commitment to artistic quality by our orchestra. We believe that our orchestra today surpasses many symphonic orchestras in the quality of their performances and complexity of the scores they play. And that is appropriate considering that our dancers and the choreography they perform are the finest anywhere in the world.

During the year we also engaged a new Music Director, Andrea Quinn, who has since guest conducted many performances and who will start full time next winter season. She was selected after numerous performances by a number of conductors, and was enthusiastically endorsed by our orchestra.

During the year, as part of our capital campaign, we received a wonderful gift of \$5.5 million from The Irene Diamond Fund for the creation of the New York Choreographic Institute. A poet needs only a piece of paper and pen. A choreographer needs dancers

and music to realize a creative vision. And although dance companies can sometimes make a little time available for a budding Balanchine, it is, in fact, a very difficult craft to pursue. The New York Choreographic Institute will make dancers available for choreographers to enable them to learn and experiment with their choreographic skills. If even one choreographer is encouraged and advances to produce ballets worthy of our repertory, the Institute will have a significant impact.

The redevelopment program at Lincoln Center is itself in a development stage. If it is successfully completed it could enable us to better serve our audiences, but it is still too early in this mammoth undertaking to predict what will emerge from it, or when.

I want above all to express, on behalf of the entire Board of Directors, our admiration and gratitude to our dancers and musicians for so many hours of beautiful performances. As a board, our purpose is to help them to continue to practice their art. And we are all grateful to our many patrons and friends, who so eagerly follow and support all of the Company's activities.

And finally, I want to express thanks to several directors who completed their terms of service this past year: Frederick W. Beinecke, David H. Mortimer, Mrs. Arthur M. Sackler, Stephen A. Schwarzman, and Ruth Stanton. These individuals contributed so much to the Company and we hope they will continue to remain close to us.

Howard Solomon — *Chairman*

Season Highlights 1999-2000

Winter Repertory



Jenifer Ringer in Miriam Mahdavi's
Appalachia Waltz

The winter repertory season began on January 4, with a special "Waltz into the Millennium" program, and continued until February 27. The performances featured 44 ballets, and included a world premiere by acclaimed choreographer Twyla Tharp, presented on January 22 as part of the Company's fourth "New Combinations" Evening, an annual event presenting new work in honor of the anniversary of George Balanchine's birth. While Tharp had collaborated with Jerome Robbins on the ballet *Brahms/Handel*, made for NYCB in 1984, the new work, *The Beethoven Seventh*, set to the composer's *Symphony No. 7 in A Major*, was her first solo work for the Company. Other highlights were the return to the repertory of two ballet classics: the full-length *Swan Lake* by Martins, and *Coppelia*—last performed by the Company in 1997—with choreography by Alexandra Danilova and Balanchine. A program of three ballets set to jazz scores, which premiered the

previous year, also returned to the repertory, featuring the Lincoln Center Jazz Orchestra playing commissioned scores by Wynton Marsalis, as well as the music of Duke Ellington.

The Campaign for New York City Ballet

At a press conference on April 24, just preceding the start of NYCB's Spring Season, the Company announced plans to raise more than \$50 million, NYCB's first formal capital fund-raising effort and the largest such campaign in dance history. The Campaign for New York City Ballet will primarily raise endowment funds, helping to ensure that the Company's legacy of works by George Balanchine and Jerome Robbins are preserved, with Peter Martins' words, the "uncompromising commitment to excellence that remains at the Company's heart." The lead gift, of million, pledged by The Irene Diamond Fund, is being used to establish the New York Choreographic Institute, which will provide both new and experienced choreographers the chance to experiment and work with dancers without the pressure of preparing a performance, as well as offering symposia about choreography. "We want to give choreographers a supportive place to work, free from the pressures associated with commissions" says Martins, who developed the idea. The endowment campaign will also focus on other initiatives, including an archive of historical materials, more national and international touring, and the creation of an Artist in Residence program. Christopher Wheeldon, a NYCB soloist who retired from dancing at the end of the spring season, has been selected as the first Artist in Residence and will create two new ballets during the 2000-2001 season.



NYCB in Christopher Wheeldon's
Mercurial Manoeuvres
Choreography © Christopher Wheeldon

The Diamond Project



NYCB in Christopher d'Amboise's
Triptych

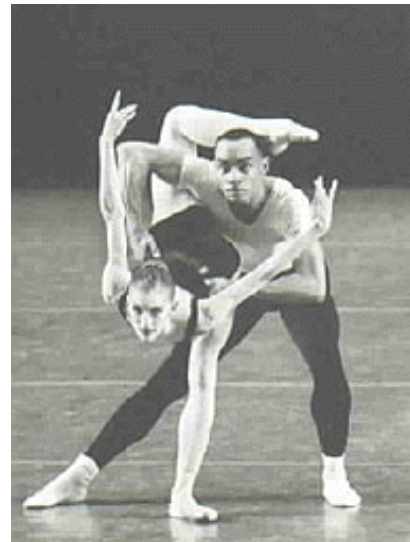
During the spring season, which ran from April 25 to June 25, the Company presented its fourth installment of the Diamond Project. A showcase for new work that perpetuates NYCB's commitment to new choreography as an integral part of its artistic profile, the Diamond Project is responsible for bringing 38 new ballets to the stage since 1992. The 2000 Diamond Project was underwritten by major grants from The Irene Diamond Fund, Geoffrey C. Hughes Foundation, John S. and James L. Knight Foundation and Philip Morris Companies Inc. "The Diamond Project has been a great success," says Martins, "insofar as it encourages people to make classical works within this framework. It is now a legitimate endeavor; in box office terms it has increased enormously in popularity since its inception in 1992, the choreographers who have been re-invited have progressed greatly, and it's a wonderful stimulus for the dancers."

The 2000 Diamond Project included nine world premieres from Christopher d'Amboise, Miriam Mahdaviyani, Peter Martins, Kevin O'Day, Helgi Tomasson, and Robert La Fosse in collaboration with Dance Theatre of Harlem Resident Choreographer Robert Garland. The ballets were presented over the course of the spring season, with two of the new pieces (by Tomasson and Martins) premiering at the Spring Gala on May 3. The Spring Gala was chaired by Lucile and Guy Peyrelongue with corporate chairman Rose Marie Bravo, and generously sponsored by L'Oreal and Burberry.

Spring Repertory

New York City Ballet performed 45 ballets during the Spring 2000 season. The La Fosse/Garland Diamond Project Ballet, *Tributary*, received its premiere at a Dance Theatre of Harlem Tribute evening on May 25 saluting Dance Theatre of Harlem's 30th Anniversary. The new ballet included 26 dancers from both companies, and the evening also featured *Agon* and *Slaughter on Tenth Avenue*, ballets closely associated with DTH Artistic Director Arthur Mitchell, a former Principal Dancer with NYCB. Another milestone event was the return to the repertoire of Merce Cunningham's *Summerspace*, with decor and costumes by Robert Rauschenberg. First created for the choreographer's own contemporary dance company in 1958, and adapted for NYCB in 1966, the ballet had not been performed as part of a NYCB season since that year. Other highlights of the spring season included a two-week run of Martins' full-length production of *The Sleeping Beauty*, last performed in 1998, and a special John Adams evening on June 17, with five ballets by Martins set to the composer's music, including a world premiere conducted by Adams himself.

During the entire 1999-2000 season at the New York State Theater, consisting of 23 weeks of performances, more than 363,229 saw the Company perform, amounting to more than \$19,166,264 in ticket sales.



Wendy Whelan and Donald Williams
of Dance Theatre of Harlem in
George Balanchine's *Agon*
© The George Balanchine Trust

Statements of Financial Position

at June 30, 2000 and 1999
(in thousands)

	2000	1999
Assets		
Cash and cash equivalents	\$ 6,231	\$ 3,932
Investments	54,136	48,985
Pledges receivable	10,361	9,076
Accounts receivable	216	614
Inventory	246	219
Deferred production costs	665	617
Due from CCMD	239	303
Leasehold in Rose Building and other fixed assets, less accumulated depreciation of \$3,760 in 2000 and \$3,262 in 1999	<u>9,013</u>	<u>8,778</u>
Total Assets	<u>\$81,107</u>	<u>\$72,524</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$2,878	\$3,510
Advance ticket sales and other deferred expenses	65	245
Payroll related liabilities due to CCMD	541	462
Payroll related and other liabilities	<u>2,198</u>	<u>1,956</u>
Total liabilities	<u>5,682</u>	<u>6,174</u>
Net Assets:		
Unrestricted		
Undesignated	5,429	4,552
Investment in Rose Building	7,097	7,446
Board designated (see note 7)	30,108	31,404
	<u>42,634</u>	<u>43,402</u>
Temporarily restricted		
Future productions	1,562	1,502
Time and other restrictions	6,247	4,967
Dancer's emergency	505	504
	<u>8,314</u>	<u>6,973</u>
Permanently restricted		
Unrestricted endowments	16,811	9,849
Restricted endowments (see note 7)	7,666	6,126
	<u>24,477</u>	<u>15,975</u>
Total net assets	<u>75,425</u>	<u>66,350</u>
Total liabilities and net assets	<u>\$81,107</u>	<u>\$72,524</u>

Statements of Activities

For the year ended June 30, 2000 and 1999
(in thousands)

	<u>2000</u>	<u>1999</u>
Changes in unrestricted net assets		
Operating revenues:		
Performance ticket sales and tour fees	\$ 20,476	\$ 21,824
Investment income not to exceed spending policy	2,691	2,388
Other revenues	<u>785</u>	<u>658</u>
Total operating revenue	<u>23,952</u>	<u>24,870</u>
Operating expenses:		
Program services:		
Ballet production costs	28,306	31,797
Facility expenses	3,150	2,981
Production management expenses	2,477	2,404
	<u>33,933</u>	<u>37,182</u>
Supporting services:		
Administration	3,287	3,635
Public support expense	3,671	3,553
	<u>6,958</u>	<u>7,188</u>
Total Operating expense	<u>40,891</u>	<u>44,370</u>
Loss from operations before public support	<u>(16,939)</u>	<u>(19,500)</u>
Public support including utilization of temporarily restricted net assets:		
Appropriation from the city of New York	969	868
Other governmental agencies	482	625
Special events support	3,136	3,912
Guild memberships and activities	2,177	2,359
Foundations	6,078	7,261
Corporations	1,804	2,101
Individuals	2,716	3,759
Estates and trusts	<u>105</u>	<u>742</u>
Total Public Support	<u>17,467</u>	<u>21,627</u>
Operating Surplus	528	2,127
Investment income (under) over spending policy	<u>(1,296)</u>	<u>3,001</u>
(Decrease) increase in unrestricted net assets	\$ (768)	\$ 5,128

Changes in temporarily restricted net assets

Public support:

City Support	\$ 75	\$ 0
Other government	167	139
Special events support	0	20
Foundations	6,477	4,623
Corporations	1,263	1,248
Individuals	178	187
Estates and trusts	0	21
Utilization of temporarily restricted net assets	(6,947)	(8,387)
Change in value of split-interest arrangements	<u>128</u>	<u>(54)</u>
Increase (decrease) in temporarily restricted net assets	<u>1,341</u>	<u>(2,203)</u>

Changes in permanently restricted net assets

Public support

Foundations	482	1,925
Corporations	114	0
Individuals	7,656	5,361
Estates and trusts	<u>250</u>	<u>0</u>
Increase in permanently restricted net assets	<u>8,502</u>	<u>7,286</u>

Changes in total net assets

Net assets

Beginning of year	<u>66,350</u>	<u>56,139</u>
End of year	<u>\$ 75,425</u>	<u>\$ 66,350</u>

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



Kyra Nichols and Charles Askegard
in George Balanchine's
Vienna Waltzes
© The George Balanchine Trust

Statements of Cash Flows

For the year ended June 30, 2000 and 1999
(in thousands)

	2000	1999
Cash flows from operating activities		
Change in net assets:		
Unrestricted	\$ (768)	\$ 5,128
Temporarily restricted	1,341	(2,203)
Permanently restricted	<u>8,502</u>	<u>7,286</u>
	9,075	10,211
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	498	466
Contributions restricted for long-term activities	(8,502)	(7,286)
Net losses (gains) on investments	1,138	(2,562)
(Increases) decreases in assets:		
Pledges receivable	(1,285)	(6,067)
Accounts receivable	581	(144)
Inventory	(27)	(12)
Deferred production costs	(48)	193
Due from CCMD	64	(276)
Increases (decreases) in liabilities:		
Accounts payable and accrued expenses	(632)	51
Advance ticket sales	(181)	112
Payroll related liabilities due to CCMD	79	(36)
Payroll related and other liabilities	<u>242</u>	<u>643</u>
Net cash (used in) provided by operating activities	<u>1,002</u>	<u>(4,707)</u>
Cash flows from investing activities		
Proceeds from sale of investments	36,105	40,665
Purchase of investments	(42,577)	(44,415)
Fixed-asset purchases	<u>(733)</u>	<u>(48)</u>
Net cash used in investing activities	<u>(7,205)</u>	<u>(3,798)</u>
Cash flows from financing activities		
Endowment contributions	8,502	7,286
Net cash provided by financing activities	<u>8,502</u>	<u>7,286</u>
Net increase (decrease) in cash and cash equivalents	<u>2,229</u>	<u>(1,219)</u>
Cash and cash equivalents		
Beginning of year	<u>3,932</u>	<u>5,151</u>
End of year	<u>\$ 6,231</u>	<u>\$ 3,932</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) and has been classified as a publicly supported organization as defined in §509(a) (2) of the Internal Revenue 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 generally accepted accounting principles 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. Certain prior year balances have been reclassified for comparative purposes.

Cash and cash equivalents

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

Fixed assets

City Ballet does not own any land or buildings. Purchases of furniture and equipment that are not material are charged to current operations. Significant fixed asset 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 2000 and 1999) 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 over (under) spending policy" in the Statement of Activities and added to "Unrestricted Net assets Functioning as Endowment."

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 a 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 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):

	2000	1999
Equities	\$ 28,095	\$ 33,955
Corporate bonds	300	300
Government bonds	25,741	14,730
Cash equivalents	6,388	4,248
	\$ 60,524	\$ 53,233

Total income from investments amounted to \$1,394,000 and \$5,390,000 in 2000 and 1999, 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 \$461,000 and \$373,000 in 2000 and 1999, respectively. No provision for uncollectible pledges has been made. Pledges specifically for the Ballet's endowment, net of applicable discounts, totaled \$6,550,000 and \$6,036,000 in 2000 and 1999, respectively. Pledges are expected to be collected as follows (in thousands):

	2000	1999
Less than one year	\$ 9,229	\$ 5,677
One to five years	1,132	2,790
Over five years	0	609

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 \$125,000 and \$35,000 for 2000 and 1999, respectively. City Ballet's allocated accrued pension cost at June 30, 2000 and 1999 was \$514,000 and \$390,000, 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 are 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 \$1,421,000 and \$1,524,000 in 2000 and 1999, 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 2000 and 1999. 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 2000 and 1999, City Ballet leased space for two warehouses and a telemarketing office. Rent expense for 2000 and 1999 was \$90,000 and \$62,000, respectively. Future minimum lease payments under these leases at June 30, 2000 are (in thousands) \$162 for 2001, \$157 for 2002, \$136 for 2003, \$131 for 2004, and \$574 for the period 2005 through 2010.

Footnote 6. Post-retirement 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 65 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 post-retirement cost for the year ended June 30, 2000 and 1999, and the accumulated obligation at year end for Ballet employees (included in Payroll related and other liabilities) and for Ballet's share of CCM D's employees (included in Payroll related liabilities due to CCMD) are summarized as follows (in thousands):

	2000	1999
Net Periodic post-retirement benefit cost:		
Service	\$ 2	\$ 2
Interest	28	28
Amortization of prior years' service cost	6	6
Amortization of accumulated gain	<u>(7)</u>	<u>(7)</u>
	29	29
Actual Payments	<u>(28)</u>	<u>(28)</u>
<i>Net Change</i>		
Accumulated obligation		
Beginning of year	<u>449</u>	<u>448</u>
End of year	450	449

The accumulated post-retirement benefit obligation was last actuarially determined as of June 30, 1998 using an assumed discount rate of 7.5%. The assumed rate of future increases in health care ranged from 6 to 10% in the first year and expected to decline to 4% by the year 2011. Had the health care cost trend rate assumption been increased by 1%, the accumulated post-retirement benefit obligation as of June 30, 1998 would have increased by 8%. The effect of this change on the sum of the service and interest cost components of net periodic post-retirement benefit cost would have been an increase of 8%.

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):

	2000	1999
Cash/Investment reserves	\$ 7,091	\$ 7,091
Fuctioning as endowment	18,175	19,471
Touring	1,606	1,606
Repertory	<u>3,236</u>	<u>3,236</u>
	\$30,108	\$31,404

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

	2000	1999
Touring	\$ 2,975	\$ 2,975
Martins repertory fund	3,000	3,000
Levin Dancer	972	0
Education	564	0
Kirstein apprentice and loan funds	<u>155</u>	<u>151</u>
	\$ 7,666	\$ 6,126

Report Of Independent Accountants

September 6, 2000



We have audited the accompanying statements of financial position of New York City Ballet, Inc. ("the Ballet") as of June 30, 2000 and 1999 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the 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 generally accepted auditing standards. Those standards require that we plan and perform the audits 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 New York City Ballet, Inc. as of June 30, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

A handwritten signature in cursive script that reads "Richard A. Eisner & Company, LLP".

Richard A. Eisner & Company, LLP
575 Madison Avenue
New York, NY 10022-2597