METROPOLITAN OPERA ASSOCIATION, INC.

Consolidated Financial Statements

July 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
Two Manhattan West
375 9th Avenue, 17th Floor
New York, NY 10001

Independent Auditors' Report

The Board of Managing Directors
Metropolitan Opera Association, Inc.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Metropolitan Opera Association, Inc. and its subsidiary (the Association), which comprise the consolidated balance sheets as of July 31, 2025 and 2024, and the related Consolidated statements of activities, and cash flows for the years then ended, and the related notes to the Consolidated financial statements.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Association as of July 31, 2025 and 2024, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

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substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

New York, New York
February 10, 2026

METROPOLITAN OPERA ASSOCIATION, INC.

Consolidated Balance Sheets

July 31, 2025 and 2024

(In thousands)

Assets		2025	2024
Cash and cash equivalents	$	5,481	7,292
Accounts receivable		4,308	4,211
Contributions receivable, net (notes 2 and 13)		113,242	100,021
Prepaid production and telecast costs		6,511	9,277
Other assets		6,701	8,305
Right-of-use assets (note 6)		9,509	3,610
Investments (notes 4 and 10)		243,810	285,354
Interests in split-interest agreements (note 4)		12,091	10,981
Property and equipment, net (note 5)		83,481	82,726
Total assets	$	485,134	511,777
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	30,446	29,755
Borrowings under line of credit (note 7)		67,000	67,000
Deferred revenue		28,698	25,093
Other liabilities		25,223	23,638
Lease liabilities (note 6)		9,465	3,643
Long-term debt (note 7)		101,369	111,906
Unfunded accumulated benefit obligation (note 8)		7,020	25,455
Total liabilities		269,221	286,490
Commitments and contingencies (notes 4 and 12)			
Net assets (accumulated deficit) (note 10):			
Without donor restrictions		(119,936)	(131,053)
With donor restrictions (note 9)		335,849	356,340
Total net assets		215,913	225,287
Total liabilities and net assets	$	485,134	511,777

See accompanying notes to consolidated financial statements.

METROPOLITAN OPERA ASSOCIATION, INC

Consolidated Statements of Activities

Years ended July 31, 2025 and 2024

(In thousands)

	2025	2024
Changes in net assets without donor restrictions:		
Operating revenues:		
Contributions and bequests	$ 125,903	126,696
Net assets released from restrictions – contributions and bequests	32,214	37,859
	158,117	164,555
Opera activities:		
Box office and tours (inclusive of in-kind ticket and ticket discount program contributions of $1.9 million and $1.6 million in 2025 and 2024, respectively)	70,522	74,824
Media revenues	16,972	17,025
Other revenues	5,537	6,603
Ballet and other presentations	10,478	9,179
Investment return – authorized spending amount (notes 4 and 10)	61,677	56,143
Net assets released from restrictions – investment income	340	541
Other income (note 4)	2,899	3,475
Total	326,542	332,345
Operating expenses (note 11):		
Opera activities:		
Performances	193,028	196,733
Media	23,022	24,834
New productions	17,608	19,418
Other	8,430	8,605
Ballet and other presentations	10,078	8,987
Opera House	25,876	24,371
General management (note 7)	32,562	32,793
Fund-raising expenses	15,938	16,604
Total	326,542	332,345
Operating revenues over expenses	—	—
Nonoperating:		
Investment return in excess of amount appropriated for spending (note 4)	274	1,160
Other components of net periodic pension cost (notes 8 and 11)	1,192	510
Pension-related changes other than net periodic pension cost (note 8)	10,537	8,629
Inherent loss due to Guild acquisition (note 14)	—	(100)
Other	(886)	(945)
Increase in net assets without donor restrictions	11,117	9,254
Changes in net assets with donor restrictions:		
Contributions and bequests for:		
Operations	47,287	20,972
Capital	1,725	—
Endowment	4,851	104
Investment return less than amount appropriated for spending (note 4)	(42,925)	(33,326)
Inherent contribution due to Guild acquisition (note 14)	—	2,012
Other	1,125	(174)
Net assets released from restrictions	(32,554)	(38,400)
Decrease in net assets with donor restrictions	(20,491)	(48,812)
Change in net assets	(9,374)	(39,558)
Net assets:		
Beginning of year	225,287	264,845
End of year	$ 215,913	225,287

See accompanying notes to consolidated financial statements.

METROPOLITAN OPERA ASSOCIATION, INC.

Consolidated Statements of Cash Flows

Years ended July 31, 2025 and 2024

(In thousands)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (9,374)	(39,558)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	5,601	5,347
Pension-related changes other than net periodic pension cost	(10,537)	(8,629)
Inherent contribution due to Guild acquisition	—	(1,912)
Net gains on investments	(16,935)	(22,283)
Change in value of interests in split-interest agreements	—	(77)
Contributions of net assets with perpetual restrictions	(4,847)	(104)
Contributions restricted for investments in property and equipment	(1,725)	—
In-kind donations	(399)	(381)
Changes in operating assets and liabilities:		
Accounts receivable	(97)	(1,217)
Contributions receivable, net	(12,643)	9,958
Prepaid production and telecast costs and other assets	4,370	1,834
Right-of-use assets	3,237	3,189
Interests in split-interest agreements	(1,110)	(111)
Accounts payable, accrued expenses, and other liabilities	1,927	3,039
Unfunded accumulated benefit obligation	(7,898)	(6,749)
Deferred revenue	3,605	(619)
Lease liabilities	(3,314)	(3,254)
Net cash used in operating activities	(50,139)	(61,527)
Cash flows from investing activities:		
Acquisition of property and equipment	(5,656)	(5,303)
Decrease in accounts payable for acquisitions of property and equipment	—	(1,493)
Cash assumed through Guild acquisition	—	815
Purchases of investments	(141,062)	(193,309)
Proceeds from sale of investments	206,609	268,181
Net cash provided by investing activities	59,891	68,891
Cash flows from financing activities:		
Borrowings under line of credit	—	4,000
Repayments of line of credit	—	—
Borrowing of long-term debt	—	20,000
Repayments of long-term debt	(10,518)	(9,174)
Loan issuance costs	(370)	—
Cash contributions for net assets with perpetual restrictions	4,792	4
Cash received for contributions restricted for investments in property and equipment	1,601	349
Net cash used in financing activities	(4,495)	15,179
Net increase in cash and cash equivalents	5,257	22,543
Cash, cash equivalents, and restricted cash at beginning of year	32,101	9,558
Cash, cash equivalents, and restricted cash at end of year	$ 37,358	32,101
Reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such accounts shown above:		
Cash and cash equivalents	$ 5,481	7,292
Cash included in investments	31,877	24,809
Cash, cash equivalents, and cash included in investments	$ 37,358	32,101

(Continued)

METROPOLITAN OPERA ASSOCIATION, INC.

Consolidated Statements of Cash Flows

Years ended July 31, 2025 and 2024

(In thousands)

	2025	2024
Supplemental information:		
Cash paid for interest	$ 10,140	10,555
Right-of-use assets obtained in exchange for lease liabilities	9,114	243
Increase in accounts payable for acquisitions of property and equipment	349	—
Acquisition of assets and assumptions of liabilities of Guild as of October 1, 2023:		
Assets:		
Cash and cash equivalents	—	815
Investments	—	914
Remainder interest in trust	—	1,420
Deposits, deferred expenses, and other assets	—	31
	$ —	3,180
Liabilities:		
Accounts payable and accrued expenses	$ —	1,014
Deferred revenue	—	254
	$ —	1,268

See accompanying notes to consolidated financial statements.

(1) Organization, Financial Statement Presentation, and Summary of Significant Accounting Policies

Organization

Metropolitan Opera Association, Inc. (the Met) is a not-for-profit membership corporation incorporated in the State of New York, and organized for the primary purpose of sustaining, encouraging, and promoting musical art, and educating the general public about music, particularly opera.

The Met has a wholly owned for-profit subsidiary, Impresario, LLC, which has developed and licensed box office and development software to other not-for-profit organizations. The consolidated financial statements also include the Metropolitan Opera Endowment Trust (the Trust) and the Metropolitan Opera Guild, Inc. (the Guild). The Trust is governed by a Trust Committee. Vacancies on the Trust Committee, which governs the Trust, are filled by the Met's appointment. The Guild transitioned from its former status as a standalone not-for-profit organization and became a supporting organization of the Met effective October 1, 2023. Certain directors and officers of the Guild are members of the Met's Board of Managing Directors.

Financial Statement Presentation

The consolidated financial statements of the Met are presented using the accrual basis of accounting. All intercompany balances and transactions have been eliminated in consolidation.

(a) Net Asset Classifications

The Met's consolidated financial statements present information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Managing Directors and/or management for general operating and non-operating purposes. The Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor-restricted endowment).

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of net assets whose use is limited by donor-imposed time and/or purpose restrictions.

The Met reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Donor restrictions whose restrictions are met in the same reporting period have been reported as without donor restrictions in the consolidated statements of activities.

Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Met to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

See Note 9 for more information on the composition of net assets with donor restrictions.

(Continued)

(b) Presentation of Revenues and Expenses

The following is an explanation of certain revenue and expense categories presented in the consolidated statements of activities:

- Opera activities – Revenues and expenses directly related to the production and presentation of opera performances.
- Ballet and other presentations – Revenues and expenses directly related to the presentation of attractions other than opera, where the Met either presents the attractions or licenses the Metropolitan Opera House at Lincoln Center (the Opera House) to third parties.
- Opera House – Expenses directly related to managing and operating the Opera House. The majority of Opera House expenses relate to program activities.
- General management – Expenses related to the overall operation of the Met that are not related to any single program or other supporting service.
- Fund-raising – Expenses related to the solicitation of contributions to the Met.

(c) Measure of Operations

The Met's operating revenues over operating expenses (the Measure of Operations) includes all operating revenues and expenses without donor restrictions that are an integral part of its programs and supporting activities, including contributions without donor restrictions and net assets released from donor restrictions to support its operating activities. The Measure of Operations also includes distributions from the endowment made in accordance with the Met's spending policy. The Measure of Operations excludes investment return which exceeds or is less than the distribution determined by the spending policy, retirement plan adjustments, changes in the value of split-interest agreements, and nonrecurring activities.

(d) Use of Estimates

The preparation of the consolidated 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 reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions include the allowances for uncollectible receivables, the present value of multi-year contributions receivable, the valuation of investments, actuarial assumptions, and the allocation of expenses to functional classifications.

Summary of Significant Accounting Policies

The following is a summary of significant accounting policies:

(a) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs to the valuation techniques used to measure fair value are prioritized by giving the highest priority to unadjusted quoted

or published prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

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

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

Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value of the Met's investments is presented in Note 4.

(b) Cash Equivalents and Cash Flows

Cash equivalents include short-term investments purchased with original maturities of three months or less, except for those cash equivalents held for long-term investment purposes. Contributions of financial assets that are not restricted for long-term purposes and are sold immediately are reported as operating activities in the consolidated statements of cash flows. Otherwise, such amounts are reported as investing or financing activities.

(c) Investments

Investments in marketable equity securities in managed accounts and debt securities, and exchange-traded mutual funds, are reported at fair value based on quoted or published market prices.

The fair value of the Met's interest in business trusts and other alternative investments is reported at net asset value, as a practical expedient. The Met reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

The Met has a policy to convert contributed securities nearly immediately into cash after receipt and therefore these cash proceeds are classified as cash flows from operating activities on the accompanying consolidated statements of cash flows, unless the donor restricted the use for long-term purposes, which then such cash proceeds would be classified as cash flows from financing activities on the accompanying consolidated statements of cash flows.

(d) Property, Equipment, and Depreciation

Property and equipment, including leasehold improvements, are carried at cost, less accumulated depreciation or amortization. Depreciation and amortization are recorded as operating expenses using the straight-line method based on estimated useful lives of 5 to 30 years.

(e) Leases

The Met determines if an arrangement is a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated balance sheets. ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term using the risk-free rate of return for the lease term. The ROU asset also includes any prepaid rent, while excluding lease incentives and initial direct costs incurred, if any. Lease expense for operating minimum lease payments is recognized on a straight-line basis over the full lease term.

(f) Contributions and Bequests

Contributions, grants, and unconditional promises to give are reported as revenues in the period they are received or made, respectively. Contributions with both a barrier and a right of return or release from obligation are considered conditional and are recognized when the barrier is met. Contributed securities are recorded at fair value as of the date of the contribution. Unconditional bequests (donations received under terms of a will) are reported as revenues when notification of the bequest is received and the amount is reasonably determinable and the probate court declares the will valid. Contributions to be received after one year are discounted to present value of future cash flows at a risk-adjusted rate. Amortization of the discount is recorded as other change in net assets in accordance with the donor-imposed restrictions, if any, on the contributions.

Fundraising expenses reflected in the accompanying consolidated statements of activities of $15.9 million and $16.6 million have been incurred to raise contributions and bequests totaling $179.8 million and $147.8 million in 2025 and 2024, respectively.

(g) Split-Interest Agreements

The Met has received contributions in the form of charitable gift annuities, under which the Met agrees to pay the donor or the donor’s designee a fixed amount for a period of time. The obligation is recorded at its present value in other liabilities. The difference between the assets received and the obligation is reported in other changes in net assets without donor restrictions.

The Met has interests in charitable remainder and other trusts, and remainder interests in a pooled income fund held by a third-party trustee. These interests are reported at their present value and, when received, are included in contribution revenue with donor restrictions. Charitable gift annuities, other charitable remainder trusts, and pooled income funds are discounted based on the rate at the time of the gift. The pooled income fund is included in investments in the consolidated financial statements.

(h) Revenue Recognition

Ticket sales are recognized in the consolidated statements of activities as box office revenue on a specific performance basis. Advance ticket sales, representing the receipt of payments for ticket sales for the next opera season, are reported as deferred revenue in the consolidated balance sheets and recognized as revenue in the subsequent year. *Live in HD* program media revenue is recognized in the

year the showing takes place. Media subscription revenue is recognized over the period of the subscription. Media royalty revenue is recognized over the period of the royalty and as the products are delivered. Ballet and other presentation revenue, including payments for licensing fees and expense reimbursements, are recognized as the events occur. Revenue associated with the license of software is recognized when access to the software and code is provided to the licensee and is included in other income.

(i) Operating Expenses

Costumes and scenery costs for recurring productions are charged to expense when incurred. Production costs (labor and materials) relating to future new productions and significant improvements necessary for the production of revivals are deferred until production occurs.

Marketing expenses for the Met's programs are charged to expense as incurred. Total marketing expenses recognized were $14.9 million and $15.2 million in 2025 and 2024, respectively. Such amounts, which represent management and general activities, are included in performance expense in the accompanying consolidated statements of activities.

The Met provides tickets for fund-raising and media purposes at no cost. The value of these tickets was approximately $1.3 million and $1.1 million in 2025 and 2024, respectively, and appears in both revenue and expenses in the accompanying consolidated statements of activities. The revenue is included as part of box office revenue; the expenses appear as performance, media, or fund-raising expenses.

(j) Risks and Uncertainties

The Met invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

(k) Income Taxes

The Met, the Guild, and the Trust are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Impresario, LLC is considered a disregarded entity for tax purposes. Management believes that the Met will continue to be exempt from taxes and that the Met has taken no significant uncertain tax positions.

The Met recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to the Met's exempt purposes is subject to tax. The Met did not have any material unrelated business income tax liability for the years ended July 31, 2025 and 2024.

(l) Reclassifications

Certain prior year amounts were reclassified to conform to the current year presentation.

(2) Contributions Receivable

Contributions receivable as of July 31 are scheduled to be collected as follows (in thousands):

	2025	2024
Within one year	$ 28,373	33,860
One to five years	84,952	66,499
More than five years	11,773	8,640
Total	125,098	108,999
Less:		
Allowance for uncollectibility	(463)	(867)
Discount to present value discount rate used ranging from 1.62%–5.13%	(11,393)	(8,111)
	$ 113,242	100,021

As of July 31, 2025 and 2024, contributions receivable included approximately $88.0 million and $71.8 million, respectively, due from ten donors**.** During the years ended July 31, 2025 and 2024, contributions revenue included approximately $67.0 million and $62.1 million, respectively, from ten donors.

(3) Liquidity and Availability of Financial Resources

The Met has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, a line of credit, and the authorization to borrow from its board-designated endowment for operating cash purposes. See Note 7 for information about the Met's line of credit and its pledged collateral.

	2025	2024
	(In thousands)	
Financial assets available within one year:		
Cash and cash equivalents	$ 5,481	7,292
Accounts receivable	4,308	4,211
Contributions receivable (due in one year or less)	28,373	33,860
Spending distribution from endowment funds appropriated by the Board and available in the next fiscal year	13,411	65,704
Total financial assets available within one year	51,573	111,067
Other liquidity resources:		
Bank line of credit ($67 million outstanding at July 31, 2025)	—	—
Board-designated endowment	14,871	14,682
Additional endowment funds (subject to board approval)	50,000	—
Total financial assets available within one year and other liquidity resources	$ 116,444	125,749

(Continued)

For the year ended July 31, 2025, net assets decreased by $9.4 million. Investments decreased by $41.5 million due to spending, while debt decreased by $10.5 million. Offsetting these changes was a decrease of $18.4 million in the unfunded accumulated pension benefit obligation.

Continuing slow recovery of earned revenues, as well as the impact of inflation on costs, affected the Met negatively. While *Live in HD* media revenues and outside presentation revenues increased from the prior year, they remained below the levels typically achieved prior to the pandemic. Box office declined slightly from the prior year, impacted by a significant dip in international tourism to the United States during Spring 2025. Operating results were balanced due to fundraising results, and an additional $50.0 million was drawn from the Met's endowment, supplementing the initial 5% draw of $15.7 million in fiscal year 2025. As of September 2025, $50 million in flexible endowment funds remained available, subject to board approval. The Met implemented certain cost cutting initiatives in fiscal years 2024 and 2025 and continues to evaluate and execute further expense reductions while pursuing additional fundraising opportunities.

The Met regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Met considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities considered to be general and fundraising expenditures.

The Met also considers all sources of revenue, including box office, media, presentations, other revenue, and donor contributions. The latter is an especially important source of liquidity, as the Met relies on significant gifts to fund operations each year.

(4) Investments

Investments consist of the following as of July 31 (in thousands):

		2025	2024
Endowment investments:			
Cash equivalents and short-term investments	$	31,753	24,859
Receivable from the sale of investments		—	7,279
Fixed income		26,274	33,769
U.S. equities		9,074	12,516
Global equities (including alternative investments)		56,559	66,623
Other alternative investment strategies		109,879	130,519
		233,539	275,565
Other investments:			
Cash equivalents and short-term investments		186	203
Fixed income		6,847	5,275
U.S. equities		3,048	4,089
Global equities		190	222
		10,271	9,789
	$	243,810	285,354

Investment activity is summarized below for the years ended July 31 (in thousands):

		2025	2024
Investments, beginning of year	$	285,354	317,557
Investment return:			
Interest and dividends		3,724	2,989
Net gains		16,935	22,283
Less investment expenses paid		(1,301)	(1,318)
Investment return		19,358	23,954
Gifts and other additions		14,002	32,859
Amounts utilized for operations:			
Investment return authorized spending amount		(65,704)	(56,735)
Other transfers		(9,200)	(32,281)
Investments, end of year	$	243,810	285,354

(Continued)

Investment return is presented in the consolidated statements of activities as follows for the years ended July 31 (in thousands):

		2025	2024
Investment return authorized spending amount included in:			
Operating revenues without donor restrictions	$	61,677	56,143
Donor-restricted investment returns		4,027	592
		65,704	56,735
Other investment (loss) return included in other income or in other changes in net assets without donor restrictions		(3,698)	(624)
Investment return less than authorized spending amount		(42,648)	(32,157)
Investment return	$	19,358	23,954

Management's estimate of the remaining life of the (nonredeemable) limited partnership interests held in the Met's investment portfolio at July 31, 2025 and 2024 of $68.0 million and $61.1 million, respectively, is seven to ten years. At July 31, 2025 and 2024, the Met had unpaid investment consultant and custodian fees of approximately $552,000 and $312,000, respectively. At July 31, 2025 and 2024, the Met had unfunded outstanding commitments, net of investments already made, totaling approximately $23 million and approximately $36 million respectively.

The redeemable alternative investment funds included in the Met's investment portfolio at July 31, 2025 and 2024 are redeemable based on the following terms and conditions (in thousands):

		2025	2024
Semi-monthly redemption with 3–15 days' notice	$	17,229	14,323
Monthly redemption with 5–62 days' notice		13,091	25,352
Quarterly redemption with 20-45 days' notice		5,669	6,622
Quarterly redemption with 60–90 days' notice (some subject to lock ups and/or gates)		30,419	50,161
Bi-annual redemption with 123 days' notice subject to 2 year lock up		8,956	14,732
	$	75,364	111,190

(Continued)

The following tables present the fair value hierarchy of assets that are measured at fair value on a recurring basis at July 31, 2025 and 2024 (in thousands):

	2025 Total	Level 1	Level 3	Investments at net asset value
Investments:				
Cash equivalents and short-term investments	$ 31,939	31,939	—	—
Receivable from sale of investments	—	—	—	—
Fixed income:				
Common trust fund	61	61	—	—
Exchange traded funds	15,551	15,551	—	—
Mutual funds	11,680	11,680	—	—
U.S. government obligations	5,828	5,828	—	—
U.S. equities:			—	—
Managed accounts	1,015	1,015	—	—
Mutual funds	49	49	—	—
Exchange traded funds	10,900	10,900	—	—
Common trust funds	157	157	—	—
Global equities:			—	—
Mutual funds	8,993	8,993	—	—
Exchange traded funds	14,261	14,261	—	—
Limited partnerships	18,210	—	—	18,210
Other	15,286	—	—	15,286
Other alternative investment strategies:				
Long/short equity	10,701	—	—	10,701
Absolute return	21,902	—	—	21,902
Commodities	—	—	—	—
Credit	5,787	—	—	5,787
Private debt	7,398	—	—	7,398
Private equity	64,092	—	—	64,092
	$ 243,810	100,434	—	143,376
Interests in split-interest agreements	$ 12,091	—	12,091	—

(Continued)

	2024 Total	Level 1	Level 3	Investments at net asset value
Investments:				
Cash equivalents and short-term investments	$ 25,062	25,062	—	—
Receivable from sale of investments	7,279	7,279	—	—
Fixed income:				
Common trust fund	67	67	—	—
Exchange traded funds	22,806	22,806	—	—
Mutual funds	11,926	11,926	—	—
U.S. government obligations	4,245	4,245	—	—
U.S. equities:				
Managed accounts	876	876	—	—
Mutual funds	178	178	—	—
Exchange traded funds	15,389	15,389	—	—
Common trust funds	162	162	—	—
Global equities:				
Mutual funds	10,798	10,798	—	—
Exchange traded funds	14,167	14,167	—	—
Limited partnerships	22,180	—	—	22,180
Other	19,700	—	—	19,700
Other alternative investment strategies:				
Long/short equity	21,068	—	—	21,068
Absolute return	33,322	—	—	33,322
Commodities	4,936	—	—	4,936
Credit	6,633	—	—	6,633
Private debt	6,644	—	—	6,644
Private equity	57,916	—	—	57,916
	$ 285,354	112,955	—	172,399
Interests in split-interest agreements	$ 10,981	—	10,981	—

For the year ended July 31, 2025, interests in split-interest agreements increased as a result net investment gains of $408,000. For the year ended July 31, 2024, interests in split-interest agreements increased as a result of new agreements of $1.6 million (of which $1.4 million was due to the acquisition of the Guild, see Note 14) and by net investment gains of $8,000.

(Continued)

Information with respect to investment strategies for alternative investments in 2025 is as follows:

- *Global equities limited partnerships*: Includes international investments, including funds with publicly listed equities that seek to achieve an attractive long-term rate of return and to outperform broad public equity benchmarks such as the MSCI World Index.
- *Global equities other*: Includes investments in other global equity investment managers that are not structured as limited partnerships (e.g., Common and Group Trusts and Cayman Feeder Funds).
- *Long/short equity*: Includes investments that take long and short positions in stocks to capitalize on opportunities in the market, often amplifying returns through the use of leverage.
- *Absolute return*: Includes investments that seek to generate returns that are not correlated with equity markets. Typical strategies include those who underwrite and capitalize on the successful completion of mergers and acquisitions, follow a systematic and quantitative equity market neutral strategy, and multi-strategy hedge funds, macroeconomic trading, and relative value investing.
- *Commodities*: Includes investments that take long and short commodity allocations to capitalize on opportunities in the market. These asset managers may trade in either financial markets through the use of derivatives such as futures and exchange traded funds or in the physical markets where buyers and sellers exchange physical commodities for immediate delivery. The underlying assets are primarily related to oil, natural gas, agricultural products, and metals. The commodity portfolio was liquidated in fiscal year 2025.
- *Credit*: Includes investments across the credit spectrum, including investments in residential mortgage-backed securities and bank loans.
- *Private debt*: Includes privately held investments in debt obligations across a variety of sectors and strategies including healthcare, real estate, technology, and distressed.
- *Private equity:* Includes investments in private companies through various vehicles and strategies including technology, global co-investment in middle market and large cap buyouts, distressed and turnaround opportunities, middle market industrials, financial services, and funds that are in liquidation status. Also includes private real estate funds that invest and develop properties across a variety of sectors including industrials, multi-family, and office.

(Continued)

(5) Property and Equipment

Property and equipment as of July 31 are summarized by major classification as follows (in thousands):

	2025	2024
Land	$ 80	80
Warehouses	1,604	1,604
Leasehold improvements	40,074	38,603
Furniture, fixtures, and other, including information systems equipment	51,749	50,422
Theatrical equipment	67,223	66,117
Construction in progress	43,961	41,860
	204,691	198,686
Less accumulated depreciation and amortization	(121,210)	(115,960)
	$ 83,481	82,726

In fiscal year 2017, the City of New York (the City) spent $1.5 million related to the Met's roof renovation and fly rigging projects. The City's investment of capital funding obligates the Met to operate the facility and/or maintain equipment for the respective bonding term as a nonprofit entity, open to and used and maintained for the benefit of the people of the City for cultural, educational, or artistic uses and/or related purposes approved by the City. Construction in progress includes costs associated with the Met Opera fly system equipment and elevator refurbishment. The contractual commitments remaining to complete these projects at July 31, 2025 and 2024 are approximately $5.4 million and $5.8 million, respectively.

(6) Leases

The Met's operating leases are primarily for warehouse and storage facilities, containers for set storage, and equipment. Warehouse and storage facilities lease agreements typically have initial terms of two to five years, container leases have initial terms of two to four years, and equipment leases have initial terms between one and four years. Leases with an initial term of 12 months or less (short-term leases) are not recorded in the consolidated balance sheets.

The leases include one or more options to renew at the Met's discretion, with renewals that extend the lease term from one to five years. Renewal options are assessed at the commencement date, modification date, and when a reassessment event has occurred. The renewal option is included in the lease term when it is reasonably certain to be exercised.

When leases include rental escalation clauses, they are factored into the Met's determination of lease expense when appropriate. Escalations based on an index, such as the Consumer Price Index, are estimated at the commencement date, and differences to the initial estimate are treated as variable lease payments. The lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

The weighted average lease terms and discount rates for operating leases at July 31 are presented in the following table:

	2025	2024
Weighted average remaining lease term (years)	4.4 years	2.0 years
Weighted average discount rate	3.71 %	1.36 %

Future minimum rental payments as of July 31, 2025 under noncancelable operating leases which expire between 2026 and 2030 are presented in the following table (in thousands):

Year ending July 31:		
2026	$	2,864
2027		2,056
2028		1,930
2029		1,855
2030		1,711
		10,416
Less unamortized imputed interest		(951)
Present value of minimum lease payments	$	9,465

The Met has variable and short-term leases for storage space, auto rental, theatrical and office equipment rentals, and data storage.

Lease expense under operating leases, including short-term leases, was approximately $8.4 million and $9.7 million for the years ended July 31, 2025 and 2024, respectively.

The Opera House is leased, under an operating lease agreement, from Lincoln Center for the Performing Arts, Inc. On January 30, 2014, the Met exercised its option to renew the lease for the period from June 1, 2016 until May 31, 2041. The Met has an additional option to renew for a further 25-year period after 2041. Under the terms of the lease, the Met is obligated to pay the expenses of maintaining and operating the Opera House and the Met's portion of the expenses for the common facilities of Lincoln Center, which are variable payments, and are excluded from the determination of future lease payment and right-of-use assets. Such costs are included in the Opera's accompanying Statement of Activities.

(7) Debt

Debt consists of the following at July 31, 2025 and 2024 (in thousands):

	2025	2024
2021 Line of Credit Matures February 2027:		
5.35% (SOFR) + 2.25%	$ —	58,500
5.33% (SOFR) + 2.25%	—	8,500
4.36% (SOFR) + 3.00%	58,500	—
4.35% (SOFR) + 3.00%	8,500	—
Total borrowings under line of credit	67,000	67,000
Long-term debt:		
2021 Term Loan matures July 2026:		
5.25% (SOFR) + 2.60%	—	15,672
4.31% (SOFR) + 3.05%	7,835	—
Unamortized loan issuance costs	(298)	(246)
Total term loan	7,537	15,426
Series 2012 Taxable Bonds (the Bonds)	74,390	77,070
Unamortized bond issuance costs	(558)	(590)
Total of the Bonds	73,832	76,480
2024 Promissory Note matures February 2030	20,000	20,000
Total long-term debt	$ 101,369	111,906

In 2021, the Met entered into a new syndicated Credit Facility with two financial institutions, which comprised the 2021 Line of Credit, the 2021 Term Loan, and the 2021 Letter of Credit (collectively, the 2021 Credit Facility).

The 2021 Credit Facility includes financial covenants related to the endowment as well as a debt service coverage ratio. On December 27, 2025, Citibank extended the deadline for certain reporting covenants with an original deadline of December 28, 2025 to February 20, 2026.

The Met has pledged: (i) certain artwork; (ii) certain endowment funds for which the respective donors have agreed to allow such funds to serve as collateral and (iii) pledged receivables of the Met to serve as collateral.

Interest expense related to borrowings under the 2021 Credit Facility was approximately $5.9 million and $6.8 million for 2025 and 2024, respectively, and is included in general management expenses.

(Continued)

Line of Credit

In 2021, the Met entered into a $67 million line of credit (the 2021 Line of Credit) agreement, which expires in October 2026, of which $67 million was outstanding at both July 31, 2025 and 2024. Subsequent to year end, the expiration was extended to February 2027.

Term Loan

In 2021, the Met entered into a $33.0 million term loan (the 2021 Term Loan) agreement, which expires in October 2026, of which approximately $7.8 million and $15.7 million was outstanding at July 31, 2025 and 2024, respectively. The remaining principal balance of $7.8 million is scheduled to be paid in full by July 31, 2026. Remaining unamortized loan issuance costs of $298 thousand will be recognized in full by July 31, 2026.

In connection with the issuance of the 2021 Credit Facility, loan issuance costs of $816,000 have been deferred and are being amortized over the life of the facility. In connection with the amendment to the 2021 Credit Facility finalized in January 2025, loan issuance costs of $370,305 have been deferred and are being amortized over the amended life of the facility.

Letter of Credit

The Met maintained a committed letter of credit (the 2021 Letter of Credit) in the amount of $13.5 million as of July 31, 2025 and 2024 of which $10 million serves as security with an insurance company for unpaid workers' compensation claims.

Long-term Debt

In December 2012, the Met issued The Metropolitan Opera Taxable Bonds, Series 2012 (the Bonds) in the amount of $100 million. The proceeds were used to repay $33.2 million outstanding on a $35.0 million bank loan and amounts outstanding under a $30.0 million line of credit, and to terminate a related interest rate swap agreement. In addition, the proceeds funded working capital and operating expenses of the Met. Pursuant to various agreements, including an Indenture of Trust, the Met is obligated to make required payments of principal, sinking fund installments, and interest on the Bonds. No collateral is required under the Bonds.

The Bonds comprise, at par, $20.4 million of fixed rate serial bonds with maturity dates commencing October 1, 2014, and annually thereafter until it matured in October 1, 2022, and $79.6 million of fixed rate term bonds with mandatory sinking fund requirements commencing October 1, 2023 and annually thereafter until final maturity on October 1, 2042. The fixed rate serial bonds were paid off in fiscal year 2023. The fixed rate term bonds bear interest at rates ranging from 3.73% to 4.52%, payable each April 1 and October 1, commencing October 1, 2013. The Bonds are subject to optional redemption by the Met prior to maturity on any business day. The Bonds are also subject to mandatory redemption pursuant to sinking fund installments at the redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest. The Bonds may also be redeemed prior to maturity at the election of the Met at a price equal to the greater of 100% of the principal to be redeemed or the sum of the discounted present value of the remaining scheduled payments, plus accrued interest. The discount rate is a treasury rate plus, in the case of the bonds maturing October 1, 2014 through October 1, 2022, 20 basis points, and plus, in the case of the bonds maturing October 1, 2027, October 1, 2032, and October 1, 2042, 30 basis points.

In connection with the issuance of the Bonds, bond issuance costs of $968,000 have been deferred and included as a reduction to the bond liability and are being amortized over the life of the Bonds. Interest expense for the Bonds for the years ended July 31, 2025 and 2024 was approximately $3.3 million and $3.4 million, respectively, and is included in general management expenses.

The minimum annual payments for principal and interest related to long-term debt are as follows (in thousands):

		Principal	Interest	Total
Year(s) ending July 31:				
2026	$	2,790	3,232	6,022
2027		2,900	3,119	6,019
2028		3,020	3,001	6,021
2029		3,145	2,873	6,018
2030		3,290	2,733	6,023
Thereafter		59,245	19,078	78,323
		74,390	34,036	108,426
Unamortized bond issuance costs		(558)		
	$	73,832		

Promissory Note

In fiscal year 2024, the Met received an unsecured loan of $20 million from a member of the Met's Board of Managing Directors to provide cash resources to support funding of the Met's operations. The loan is memorialized by a promissory note and bears interest at a rate equal to 3.82% (as of February 2026). Interest is payable every six months. Interest expense related to the promissory note was approximately $930,500 and $389,000 for the years ended July 31, 2025 and 2024, respectively, and is included in general management expenses. The interest payments due in fiscal year 2025 were forgiven and the Met recognized the corresponding contribution. At July 31, 2025, the loan matured in February 2027 and subsequent to year end, the maturity was extended to February 2030 (See Note 13).

(8) Retirement Plans

The Met has a defined benefit pension plan (the Plan), which covers many of its employees. Benefits are based on years of service and employees' compensation. The Met uses a July 31 measurement date.

The Met's policy is to fund amounts not less than the minimum statutory funding requirements. The Met recognizes the Plan's funded status as an asset or a liability and recognizes the changes in its funded status in the year in which the changes occur through separate lines within the change in net assets without donor restrictions, apart from expenses and service cost.

Financial information regarding the Plan as of July 31 is as follows (in thousands):

		2025	2024
Change in benefit obligation:			
Benefit obligation at beginning of year	$	286,418	285,842
Service cost		4,355	4,435
Interest cost		14,987	14,826
Plan amendments		—	—
Actuarial (gains) losses		(4,334)	1,102
Benefits paid and expected expenses		(20,060)	(19,787)
Benefit obligation at end of year		281,366	286,418
Change in plan assets:			
Fair value of plan assets at beginning of year		260,963	245,009
Actual return		23,931	26,418
Employer contributions		11,061	10,674
Benefits paid and actual expenses		(21,609)	(21,138)
Fair value of plan assets at end of year		274,346	260,963
Funded status	$	(7,020)	(25,455)
Components of net periodic cost:			
Service cost	$	4,355	4,435
Interest cost		14,987	14,826
Expected return on plan assets		(17,531)	(16,815)
Other, net		1,352	1,479
Net periodic cost	$	3,163	3,925
Items not yet recognized as a component of net periodic benefit cost:			
Unrecognized prior service cost	$	4,926	5,848
Unrecognized net loss		18,086	27,701
Total	$	23,012	33,549
Weighted average assumptions used to determine net periodic benefit costs:			
Discount rate		5.37 %	5.35 %
Expected long-term return on plan assets		7.47	7.47
Weighted average assumptions used to determine benefit obligations:			
Discount rate		5.63 %	5.37 %

(Continued)

During the years ended July 31, 2025 and 2024, a net credit of $10.5 million and $8.6 million, respectively, was reported as pension-related changes other than net period pension cost. The components of the net change are as follows (in thousands):

		2025	2024
Net actuarial gain	$	(9,185)	(7,150)
Prior service		—	—
Amortization of prior service cost		(922)	(922)
Amortization of actuarial loss		(430)	(557)
	$	(10,537)	(8,629)

The change in the actuarial gain is primarily attributed to the change in the discount rate from the prior year.

The accumulated benefit obligation for the Plan at July 31, 2025 and 2024 was $281.4 million and $286.4 million, respectively.

The Met expects to contribute at least the minimum required amount of approximately $9 million to the Plan in fiscal year 2026. Benefit payments, which reflect expected future service as appropriate, are expected to be paid as follows (in thousands):

		Amount
Year(s) ending July 31:		
2026	$	21,285
2027		21,222
2028		21,178
2029		21,079
2030		20,819
2031 - 2035		102,431

The expected long-term rate of return for the Plan's total assets is based on the Plan's investment policy. The primary long-term investment objectives are to hold, protect, and invest the assets as directed and determined by the Investment Committee. Consistent with prudent standards for preservation of capital and maintenance of liquidity, the goal is to earn the highest possible total rate of return consistent with the Plan's tolerance for risk. The asset allocation should reflect the proper balance of the Plan's need for liquidity, preservation of purchasing power, risk tolerance, and meeting the short and long term obligations of the Plan.

(Continued)

The Plan's weighted average asset allocations at July 31, 2025 and 2024 by asset category are as follows:

Asset category	Target policy allocation	Percentage of plan assets 2025	2024
Fixed income, including cash	0%-30%	2 %	15 %
Domestic and international equity	30-65	46	33
Alternative investments:			
Liquid alternatives (absolute return, long/short equity)	0-30	22	22
Private equity	0-25	18	17
Inflation hedges/real assets/other	0-25	12	13
Total		100 %	100 %

Management's estimate of the remaining life of the (nonredeemable) private debt and private equity held in the Plan's investment portfolio at July 31, 2025 and 2024, of approximately $75.8 million and $65.2 million, respectively, is one to twelve years, and three to eleven years, respectively. At July 31, 2025 and 2024, the Plan had outstanding unfunded commitments, net of investments already made, totaling approximately $39.0 million and $42.4 million, respectively.

The redeemable alternative investment funds (including global equities measured at net asset value) included in the Plan's investment portfolio at July 31, 2025 and 2024, are redeemable based on the following terms and conditions (in thousands):

	2025	2024
Semi-monthly redemption with 3–15 days' notice	$ 16,799	13,735
Monthly redemption with 5–62 days' notice	33,064	29,259
Quarterly redemption with 20-45 days' notice	6,158	6,379
Quarterly redemption with 60–90 days' notice (some subject to lock ups and/or gates)	45,029	47,792
Bi-annual redemption with 123 days' notice subject to 2 year lock up	11,133	11,711
Total	$ 112,183	108,876

(Continued)

The following tables present the fair value hierarchy of the Plan's assets that are measured at fair value on a recurring basis at July 31, 2025 and 2024:

		2025 Total	Level 1	Investments at net asset value
Cash equivalents and short-term investments	$	5,715	5,715	—
Receivable from sale of investment		—	—	—
Fixed income:				
Mutual fund		10,402	10,402	—
Exchange traded fund		16,230	16,230	—
U.S. equities – exchange traded fund		15,312	15,312	—
Global equities:				
Mutual fund		16,155	16,155	—
Exchange traded fund		22,629	22,629	—
Limited partnerships		17,566	—	17,566
Other		26,681	—	26,681
Other alternative investment strategies:				
Long/short equity		16,194	—	16,194
Absolute return		44,960	—	44,960
Commodities		4,003	—	4,003
Credit		5,945	—	5,945
Private debt		11,969	—	11,969
Private equity		60,585	—	60,585
Total pension assets	$	274,346	86,443	187,903

(Continued)

		2024 Total	Level 1	Investments at net asset value
Cash equivalents and short-term investments	$	6,483	6,483	—
Receivable from sale of investment		2,991	2,991	—
Fixed income:				
Mutual fund		8,551	8,551	—
Exchange traded fund		19,998	19,998	—
U.S. equities – exchange traded fund		15,202	15,202	—
Global equities:				
Mutual fund		14,861	14,861	—
Exchange traded fund		18,813	18,813	—
Limited partnerships		16,994	—	16,994
Other		21,584	—	21,584
Other alternative investment strategies:				
Long/short equity		17,288	—	17,288
Absolute return		39,960	—	39,960
Commodities		4,551	—	4,551
Credit		5,111	—	5,111
Private debt		18,006	—	18,006
Private equity		50,570	—	50,570
Total pension assets	$	260,963	86,899	174,064

For information with respect to investment strategies and redemption terms for alternative investments in 2025, refer to Note 4.

Certain employees are covered by multiemployer pension and annuity plans under collective bargaining agreements. The Met's contributions to these plans were approximately $12.0 million and $10.8 million for the years ended July 31, 2025 and 2024, respectively.

The Met participates in several significant multiemployer pension plans. Based on information provided by the plans:

Local 1, I.A.T.S.E. – Green zone. Contributions to the pension plan were approximately $3.3 million and $3.0 million for the years ended July 31, 2025 and 2024, respectively, and contributions to the annuity plan were approximately $5.1 million and $4.0 million for the years ended July 31, 2025 and 2024, respectively.

Local 764, I.A.T.S.E. – Green zone. Contributions to the pension plan were approximately $490,000 and $495,000 for the years ended July 31, 2025 and 2024, respectively, and contributions to the annuity plan were approximately $428,000 and $370,000 for the years ended July 31, 2025 and 2024, respectively.

(Continued)

Local 829, I.A.T.S.E. – Green zone. Contributions to the pension plan were approximately $393,000 and $437,000 for the years ended July 31, 2025 and 2024, respectively, and contributions to the annuity plan were approximately $246,000 and $261,000 for the years ended July 31, 2025 and 2024, respectively.

American Federation of Musicians – Critical and declining status. Contributions to the pension plan were approximately $825,000 and $818,000 for the years ended July 31, 2025 and 2024, respectively.

Contributions to all other multiemployer plans totaled $1.2 million and $1.4 million in 2025 and 2024, respectively.

(9) Net Assets

Net assets with donor restrictions comprised the following at July 31, 2025 and 2024 (in thousands):

		2025	2024
Net assets with time or purpose restrictions:			
Subject to expenditure when a specified event occurs:			
Future operating activities (time restricted)	$	30,917	26,046
New productions		12,865	14,735
Capital		29,221	27,552
Interests in charitable trusts and pooled income funds		5,502	5,196
Telecast and other media activities		8,914	2,364
Save the Met Broadcast		16,253	12,022
Other program activities		4,489	2,363
Endowment draw appropriation restricted for program		4,600	913
		112,761	91,191
Endowment returns subject to future appropriation:			
Future operating activities (time restricted)		33,716	33,484
New productions		2,875	2,696
Telecast and other media activities		589	744
Save the Met Broadcast		1,144	999
Other program activities		12,918	12,631
Underwater endowments		(94,315)	(47,037)
		(43,073)	3,517
Total net assets restricted by time or purpose	$	69,688	94,708

(Continued)

		2025	2024
Net assets with perpetual restrictions – income for:			
New York Season	$	148,970	149,089
New productions		74,966	74,120
Telecasts and other media		16,798	16,623
Young artists		13,122	13,124
Other specified activities		12,305	8,676
Total net assets with perpetual restrictions		266,161	261,632
Total net assets with donor restrictions	$	335,849	356,340

Included in net assets with perpetual restrictions are two donor-restricted gifts that require the use of a spending rate to be applied to such funds. Investment income greater than the spending rate is required to be reinvested in the fund and, accordingly, is classified as net assets with donor restrictions to be held in perpetuity. In addition, net assets with donor restrictions to be held in perpetuity include other funds that allow only interest and dividends to be spent and for which net appreciation is required to be reinvested in the fund and, accordingly, is classified as net assets with donor restrictions to be held in perpetuity. At July 31, 2025 and 2024, the value of such funds included in net assets with donor restrictions to be held in perpetuity was $68.9 million and $67.0 million, respectively.

(10) Endowment Funds

The Met's endowment consists of approximately 300 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Met to function as endowment funds, and related net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

The Met is subject to the New York Prudent Management of Institutional Funds Act (NYPMIFA) and, in the case of the Trust, the New York State trust laws. The Met has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument and absent explicit donor stipulations to the contrary.

The investment objective of the Met's endowment investment portfolio is to attain an average annual total return that exceeds inflation within acceptable levels of risk over a full market cycle. Prudent investment risks are taken with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent committee acting in a similar capacity and familiar with the endowment investment matters would use in investing fund assets. The assets are managed on a total return basis. The Investment Committee of the Board of Managing Directors has adopted long term asset allocation range targets for equities, fixed income, real estate, private equity and other alternative investments, and cash equivalents.

The Met's Board of Managing Directors approved a spending policy under which an annually approved portion of investment return is authorized to fund current operations. This spending amount represents the Met's determination of a prudent amount of the fair value of the endowment investments available as needed for current operations. This determination is made in accordance with NYPMIFA and New York

State trust laws. The Board of Managing Directors approved an overall spending rate of 5% for both of the years ended July 31, 2025 and 2024. In November 2023, the Board of Managing Directors approved an additional draw of $40.0 million, increasing the approved draw for fiscal year 2024 operations of approximately $16.7 million to approximately $56.7 million. In July 2024, the Board also approved a borrowing from the endowment for fiscal year 2025 operations in an amount up to $50 million. In fiscal year 2025, the Board approved the $50 million borrowing as an additional draw for fiscal year 2025, increasing the approved draw for fiscal year 2025 operations of approximately $15.7 million to approximately $65.7 million.

The Met considers donor restrictions and follows the guidelines of applicable law in determining spending amounts. When permissible, the Met will appropriate funding from underwater funds using various rates dependent on the percentage of market value to book value. The rate decreases as the percentage of market value relative to book value decreases. The fair value of assets associated with donor-restricted endowment funds may fall below the historic dollar amount of the fund. Deficiencies of this nature that are reported in net assets with donor restrictions totaled approximately $94 million as of July 31, 2025. The original book value of these 115 funds with deficiencies was $165 million. Deficiencies of this nature that are reported in net assets with donor restrictions totaled approximately $47 million as of July 31, 2024. The original book value of these 112 funds with deficiencies was $160 million.

The Met's endowment funds consist of the following at July 31, 2025 and 2024 (in thousands):

	Without donor restrictions	With donor restrictions		Total funds as of July 31, 2025
		Original gift	Accumulated gains/gift	
Donor-restricted funds	$ —	261,841	(43,073)	218,768
Board-designated funds	14,771	—	—	14,771
Total endowment net assets	$ 14,771	261,841	(43,073)	233,539

	Without donor restrictions	With donor restrictions		Total funds as of July 31, 2024
		Original gift	Accumulated gains/gift	
Donor-restricted funds	$ —	257,465	3,518	260,983
Board-designated funds	14,582	—	—	14,582
Total endowment net assets	$ 14,582	257,465	3,518	275,565

(Continued)

Changes in endowment funds for the year ended July 31, 2025 (in thousands):

		Without donor restrictions	With donor restrictions	2025 Total
Endowment net assets, July 31, 2024	$	14,582	260,983	275,565
Investment return, net		189	18,693	18,882
Contributions		—	4,796	4,796
Appropriation for expenditure		—	(65,704)	(65,704)
Endowment net assets, July 31, 2025	$	14,771	218,768	233,539

Changes in endowment funds for the year ended July 31, 2024 (in thousands):

		Without donor restrictions	With donor restrictions	2024 Total
Endowment net assets, July 31, 2023	$	14,505	294,054	308,559
Investment return, net		77	23,019	23,096
Contributions		—	645	645
Appropriation for expenditure		—	(56,735)	(56,735)
Endowment net assets, July 31, 2024	$	14,582	260,983	275,565

(11) Functional Classification of Expenses

The Met's program services include Opera activities, Ballet and other presentations, and management of the Opera House.

(Continued)

Expenses by functional classification are allocated based on time, effort, and usage and have been distributed for the years ended July 31, 2025 and 2024 as follows (in thousands):

	Compensation and benefits	Supplies, services and other	Interest	Depreciation and amortization	Total operating expenses	Other components of net periodic pension cost	2025 Total expenses
Opera activities:							
Performances	$ 173,593	19,444	—	—	193,037	(861)	192,176
Media	15,886	7,136	—	—	23,022	(79)	22,943
New productions	8,322	9,286	—	—	17,608	(41)	17,567
Other	4,213	4,223	—	—	8,436	(21)	8,415
Ballet and other presentations	5,822	4,251	5	—	10,078	(29)	10,049
Opera house	10,796	9,814	—	5,250	25,860	(54)	25,806
Total program expenses	218,632	54,154	5	5,250	278,041	(1,085)	276,956
General management	14,815	7,111	10,134	351	32,411	(76)	32,335
Fundraising	6,297	9,793	—	—	16,090	(31)	16,059
Total expenses	$ 239,744	71,058	10,139	5,601	326,542	(1,192)	325,350

	Compensation and benefits	Supplies, services and other	Interest	Depreciation and amortization	Total operating expenses	Other components of net periodic pension cost	2024 Total expenses
Opera activities:							
Performances	$ 174,927	21,806	—	—	196,733	(373)	196,360
Media	15,923	8,911	—	—	24,834	(34)	24,800
New productions	8,367	11,051	—	—	19,418	(18)	19,400
Other	4,268	4,337	—	—	8,605	(9)	8,596
Ballet and other presentations	5,640	3,342	5	—	8,987	(12)	8,975
Opera house	10,308	8,952	—	5,111	24,371	(22)	24,349
Total program expenses	219,433	58,399	5	5,111	282,948	(468)	282,480
General management	13,910	8,097	10,550	236	32,793	(30)	32,763
Fundraising	5,794	10,810	—	—	16,604	(12)	16,592
Total expenses	$ 239,137	77,306	10,555	5,347	332,345	(510)	331,835

(Continued)

(12) Commitments and Contingencies

The Met is a defendant in various legal actions and claims arising from the ordinary course of operations. Management believes that the settlement, if any, of such matters is either subject to insurance coverage or not expected to have a material adverse effect on the consolidated financial statements of the Met.

(13) Related Parties

During fiscal year 2024, a member of the Met's Board of Managing Directors extended an unsecured loan to the Met in the aggregate amount of $20 million to provide cash resources to support funding of the Met's operations. The Met's Board approved the loan, which has a maturity date of February 2027, as fair, reasonable and in the Met's best interest and in accordance with the procedures set forth in the Met's Conflict of Interest Policy and the applicable provisions of the New York Not-for-Profit Corporation Law (see Note 7). Subsequent to year-end, the maturity was extended to February 2030.

The Met receives contributions from its Board members and their affiliated foundations and corporations, and as of July 31, 2025 and 2024, $80.8 million and $63.8 million, respectively, are included in contribution receivables in the accompanying consolidated balance sheets. Contributions received from the Met's Board members and their affiliated foundations and corporations for the years ended July 31, 2025 and 2024 of $52.1 million and $35.9 million, respectively, are recognized in the accompanying consolidated statements of activities.

(14) Acquisition of the Guild

On October 1, 2023, the Guild transitioned from its former status as a standalone not-for-profit organization and became a supporting organization of the Met whose operations are reflected in the Met's consolidated financial statements starting in fiscal year 2024. Certain directors and officers of the Guild are members of the Met's Board of Managing Directors. The acquisition of the Guild resulted in the following opening balance sheet fair value of assets acquired and liabilities assumed whose donor restrictions continue under the Met's stewardship (table in thousands). The Met transferred no consideration as part of this acquisition and recognized an inherent loss in without donor restricted net assets and an inherent contribution in with

(Continued)

donor restricted net assets in the 2024 consolidated statement of activities, which represents the net assets of the Guild at October 1, 2023.

Assets Acquired		
Cash and cash equivalents	$	815
Investments		914
Interests in split-interest agreements		1,420
Deposits, deferred expenses and other assets		31
Total assets acquired		3,180
Liabilities Assumed		
Accounts payable and accrued expenses		1,014
Deferred revenue		254
Total liabilities assumed		1,268
Total inherent contribution	$	1,912

(15) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Met evaluated events after the consolidated balance sheet date of July 31, 2025 through February 10, 2026, which was the date the consolidated financial statements were issued, and noted no matters that would require recognition or disclosure in the consolidated financial statements other than what is disclosed in Note 7.