



**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Combined Financial Statements

December 31, 2015 and 2014

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Combined Financial Statements

December 31, 2015 and 2014

CONTENTS

	Page
Independent Auditor's Report	1-2
Combined Financial Statements	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	5
Notes to Combined Financial Statements	6-20
Supplementary Information	
Saratoga Performing Arts Center, Inc.	
Statement of Financial Position	21
Statement of Activities	22
Summary of Statement of Activities Based on Internal Operating Statement	23
National Museum of Dance	
Statement of Financial Position	24
Statement of Activities	25
Summary of Statement of Activities Based on Internal Operating Statement	26
Other Operating Revenues	27
Production Expenses	28
Advertising and Publicity Expenses	29
Box Office Expenses	30
Administrative and General Expenses	31

Independent Auditor's Report

Boards of Directors
Saratoga Performing Arts Center, Inc.
and National Museum of Dance
Saratoga Springs, New York

Report on the Financial Statements

We have audited the accompanying combined financial statements of Saratoga Performing Arts Center, Inc. and the National Museum of Dance, which comprise the combined statements of financial position as of December 31, 2015 and 2014, and the combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Saratoga Performing Arts Center, Inc. and the National Museum of Dance as of December 31, 2015 and 2014, and changes in net assets and combined cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information on pages 21 through 31 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

SaxBST LLP

Albany, New York
March 10, 2016

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Combined Statements of Financial Position

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,443,784	\$ 2,067,716
Accounts receivable, net	498,497	362,352
Accrued interest receivable	7,540	8,335
Other current assets	127,215	83,435
Total current assets	3,077,036	2,521,838
OTHER ASSETS		
Investments	5,517,101	5,998,292
Leasehold improvements and equipment, net	1,747,043	1,846,322
Insurance premiums receivable	159,950	159,950
	\$ 10,501,130	\$ 10,526,402
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 387,001	\$ 380,562
Accrued pension expense	91,316	89,495
Current installments of postretirement benefits	-	15,554
Deferred revenues	1,722,890	1,348,250
Total current liabilities	2,201,207	1,833,861
LONG-TERM LIABILITIES		
Liability for postretirement benefits, less current installments	106,067	32,301
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted		
Board designated	1,162,372	1,199,784
Undesignated	2,184,662	2,453,937
	3,347,034	3,653,721
Temporarily restricted	2,261,408	2,421,105
Permanently restricted	2,585,414	2,585,414
Total net assets	8,193,856	8,660,240
	\$ 10,501,130	\$ 10,526,402

See accompanying Notes to Combined Financial Statements.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Combined Statements of Activities

	Year Ended December 31, 2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
OPERATING REVENUES AND GAINS				
Ticket sales and admissions	\$ 3,375,727	\$ -	\$ -	\$ 3,375,727
Membership revenues	2,543,946	-	-	2,543,946
Unrestricted gifts and grants	114,915	-	-	114,915
Restricted gifts and grants	989,956	8,282	-	998,238
Fundraising event income	1,238,959	-	-	1,238,959
Third-party license fees	871,490	-	-	871,490
Other operating revenues	1,236,865	-	-	1,236,865
Net assets released from restriction	1,816	(1,816)	-	-
	<u>10,373,674</u>	<u>6,466</u>	<u>-</u>	<u>10,380,140</u>
OPERATING EXPENSES				
Performance costs				
Direct talent	4,859,856	-	-	4,859,856
Production expenses	1,472,397	-	-	1,472,397
Advertising and publicity	756,010	-	-	756,010
Box office	210,348	-	-	210,348
Fundraising event expense	612,003	-	-	612,003
Other operating expenses	399,580	-	-	399,580
Administrative and general	1,884,288	31,561	-	1,915,849
Depreciation	342,126	-	-	342,126
	<u>10,536,608</u>	<u>31,561</u>	<u>-</u>	<u>10,568,169</u>
Operating expenses in excess of operating revenues and gains	<u>(162,934)</u>	<u>(25,095)</u>	<u>-</u>	<u>(188,029)</u>
NON-OPERATING REVENUES, GAINS, AND LOSSES				
Investment income	25,682	113,886	-	139,568
Gains on sales of investments, net	36,310	187,513	-	223,823
Unrealized losses on investments, net	(92,141)	(436,001)	-	(528,142)
Other interest income	4,193	-	-	4,193
	<u>(25,956)</u>	<u>(134,602)</u>	<u>-</u>	<u>(160,558)</u>
OTHER CHANGE IN NET ASSETS				
Pension related expense other than net periodic costs	(117,797)	-	-	(117,797)
CHANGE IN NET ASSETS	<u>(306,687)</u>	<u>(159,697)</u>	<u>-</u>	<u>(466,384)</u>
NET ASSETS, <i>beginning of year</i>	<u>3,653,721</u>	<u>2,421,105</u>	<u>2,585,414</u>	<u>8,660,240</u>
NET ASSETS, <i>end of year</i>	<u>\$ 3,347,034</u>	<u>\$ 2,261,408</u>	<u>\$ 2,585,414</u>	<u>\$ 8,193,856</u>

See accompanying Notes to Combined Financial Statements.

	Year Ended December 31, 2014			
	Unrestricted	Temporarily	Permanently Restricted	Total
OPERATING REVENUES AND GAINS				
Ticket sales and admissions	\$ 3,065,280	\$ -	\$ -	\$ 3,065,280
Membership revenues	2,158,641	-	-	2,158,641
Unrestricted gifts and grants	7,265	-	-	7,265
Restricted gifts and grants	1,156,168	22,699	-	1,178,867
Fundraising event income	1,196,248	-	-	1,196,248
Exceptional gifts	420,000	-	-	420,000
Third-party license fees	1,182,128	-	-	1,182,128
Other operating revenues	1,270,145	-	-	1,270,145
	<u>10,455,875</u>	<u>22,699</u>	<u>-</u>	<u>10,478,574</u>
OPERATING EXPENSES				
Performance costs				
Direct talent	4,406,877	-	-	4,406,877
Production expenses	1,396,074	-	-	1,396,074
Advertising and publicity	678,185	-	-	678,185
Box office	207,300	-	-	207,300
Fundraising event expense	550,857	-	-	550,857
Other operating expenses	390,940	-	-	390,940
Administrative and general	2,021,350	28,282	-	2,049,632
Depreciation	308,554	-	-	308,554
	<u>9,960,137</u>	<u>28,282</u>	<u>-</u>	<u>9,988,419</u>
Operating revenues and gains in excess of operating expenses	<u>495,738</u>	<u>(5,583)</u>	<u>-</u>	<u>490,155</u>
NON-OPERATING REVENUES AND GAINS				
Investment income	27,880	117,133	-	145,013
Gains on sales of investments, net	28,544	77,381	-	105,925
Unrealized gains on investments, net	14,994	43,929	-	58,923
Other interest income	2,577	-	-	2,577
	<u>73,995</u>	<u>238,443</u>	<u>-</u>	<u>312,438</u>
OTHER CHANGE IN NET ASSETS				
Pension related income other than net periodic costs	424,081	-	-	424,081
CHANGE IN NET ASSETS	<u>993,814</u>	<u>232,860</u>	<u>-</u>	<u>1,226,674</u>
NET ASSETS, <i>beginning of year</i>	<u>2,659,907</u>	<u>2,188,245</u>	<u>2,585,414</u>	<u>7,433,566</u>
NET ASSETS, <i>end of year</i>	<u>\$ 3,653,721</u>	<u>\$ 2,421,105</u>	<u>\$ 2,585,414</u>	<u>\$ 8,660,240</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Combined Statements of Cash Flows

	Years Ended December 31,	
	2015	2014
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (466,384)	\$ 1,226,674
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	342,126	308,554
Realized gains on sales of investments, net	(223,823)	(105,925)
Unrealized (gains) losses on investments, net	528,142	(58,923)
Donated leasehold improvements and equipment	(98,400)	(420,000)
(Increase) decrease in		
Accounts receivable	(136,145)	(22,908)
Accrued interest receivable	795	(998)
Other current assets	(43,780)	3,289
Increase (decrease) in		
Accounts payable and accrued expenses	6,439	72,828
Accrued pension expense	60,033	(519,495)
Deferred revenues	374,640	(321,091)
	343,643	162,005
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchases of leaseholds and equipment	(144,447)	(240,198)
Proceeds from sales of investments	2,267,639	1,042,278
Purchases of investments	(2,090,767)	(1,164,185)
Proceeds from insurance premium receivable	-	444,752
	32,425	82,647
Net increase in cash and cash equivalents	376,068	244,652
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	2,067,716	1,823,064
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 2,443,784	\$ 2,067,716

See accompanying Notes to Combined Financial Statements.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization

Saratoga Performing Arts Center, Inc. (SPAC) was incorporated as a not-for-profit 501(c)(3) in the State of New York on June 25, 1962, to promote, sponsor, cultivate, and develop, among its members and the community-at-large, an appreciation and understanding of the performing arts. The National Museum of Dance (Museum) was incorporated as a not-for-profit membership organization in the State of New York on April 26, 1985. During 1991, the management of SPAC and the Museum were combined. The accounts of the Museum are maintained as separate, identifiable accounts in the records of SPAC. All intercompany transactions and balances have been eliminated.

b. Basis of Accounting and Financial Statement Presentation

The combined financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit entities.

Net assets and revenues, gains, losses, and expense items are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets are assets that have arisen from revenues generated from providing services, investments in income-producing assets, and general public support. Additionally, general public support which has been designated by the Boards of Directors for a particular use is classified as unrestricted since the restriction is subject to change at the Boards of Directors' discretion.

Temporarily restricted net assets are assets that have been designated as restricted by donors for a particular purpose.

Permanently restricted net assets are endowments established by various donors which have been invested in perpetuity to provide a permanent source of income, the use of which is generally restricted for classical programming.

c. Estimates

The preparation of combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

d. 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 on the measurement date (Notes 5 and 14).

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Cash and Cash equivalents

SPAC's and the Museum's cash and cash equivalents are defined as short-term, highly liquid investments with an initial maturity of three months or less.

f. Accounts Receivable, Net

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts performed on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. An account receivable is considered to be past due if any portion of the receivable balance has been outstanding for more than 90 days. The allowance for doubtful accounts was \$2,000 for both years ended December 31, 2015 and 2014.

g. Investments

Investments are recorded at fair value. Net realized and unrealized gains (losses) on investments are reflected in the statements of activities. Investments are classified as non-current as they will not be used for current operations.

h. Leasehold Improvements and Equipment, Net

Amphitheater and facility improvements, Museum leasehold improvements, dance studio, and equipment are recorded at cost. Assets acquired by gifts and bequests are recorded at fair value, established as of the date of receipt. The carrying amount of these assets, and related accumulated depreciation and amortization, are removed from the accounts when such assets are disposed of, and the resulting gain or loss is reported in the statements of activities. Provisions for depreciation and amortization are computed using the straight-line method in a manner that is intended to amortize the cost of such assets over their estimated useful lives (5-50 years). Leasehold improvements are amortized over the shorter of the life of the lease or the life of the asset. Expenditures for maintenance and repairs are charged to expense accounts as incurred, and costs of additions, major renewals, and betterments are capitalized.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. There were no impairments on long-lived assets at December 31, 2015 and 2014.

i. Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The above policy also applies to earnings on permanently restricted net assets where the donor restricts the use of the income, gains, and losses earned on the permanently restricted contribution.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Deferred Revenue

Revenues are recognized as earned. Membership revenue received in advance of the period in which it applies is recorded as a liability.

k. Donated Services

The value of donated services is not reflected in the accompanying combined financial statements since either no specific skills are required for the services or there is no objective basis available by which to measure value. A number of volunteers have donated significant amounts of time to SPAC and the Museum.

l. Membership Revenue

Membership revenue is recognized at the end of the calendar year membership period.

m. Revenue from Contracts

Revenue is recognized on contracts ratably over applicable contract periods or as services are performed.

n. Allocation of Expenses

Direct expenses are charged directly to the related event. Expenses that are not directly identifiable with an event, but provide for overall support, are charged to administrative and general expenses.

o. Advertising and Publicity

Advertising and publicity costs are expensed as incurred.

p. Tax Status

SPAC and the Museum are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes. SPAC and the Museum have been classified as publicly-supported organizations that are not private foundations under Section 509(a) of the Code.

SPAC and the Museum each file a Form 990 annually with the Internal Revenue Service. When annual returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or amount of the position's tax benefit that would ultimately be sustained. Management evaluated SPAC's and the Museum's tax positions, including interest and penalties attributable thereto, and concluded that SPAC and the Museum have taken no tax positions that required adjustment in their financial statements as of December 31, 2015 and 2014.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

q. Subsequent Events

SPAC and the Museum have evaluated subsequent events for potential recognition or disclosure through March 10, 2016, the date the combined financial statements were available to be issued.

r. Reclassification

Certain reclassifications were made to the prior year amounts in order to conform to the current year presentation.

Note 2 - Investments

Investments consist of the following:

	December 31, 2015			Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
Common stocks	\$ 2,677,370	\$ 720,015	\$ -	\$ 3,397,385
Fixed income securities	1,098,833	-	(4,423)	1,094,410
Mutual funds	1,026,262	-	(956)	1,025,306
Total investments	\$ 4,802,465	\$ 720,015	\$ (5,379)	\$ 5,517,101

	December 31, 2014			Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
Common stocks	\$ 2,644,841	\$ 1,098,069	\$ -	\$ 3,742,910
Fixed income securities	923,417	8,973	-	932,390
Mutual funds	1,187,256	135,736	-	1,322,992
Total investments	\$ 4,755,514	\$ 1,242,778	\$ -	\$ 5,998,292

Note 3 - Leasehold Improvements and Equipment, Net

A summary of SPAC's and the Museum's leasehold improvements and equipment, net, is as follows:

	December 31,	
	2015	2014
Cost of constructing amphitheater	\$ 2,687,986	\$ 2,687,986
Amphitheater and facility improvements	1,632,914	1,584,015
National Museum of Dance, leasehold improvements	1,908,300	1,908,300
Dance studios	1,048,246	1,048,246
Equipment	2,841,840	2,647,892
	10,119,286	9,876,439
Less accumulated depreciation	8,372,243	8,030,117
	\$ 1,747,043	\$ 1,846,322

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 4 - Line-of-Credit

SPAC has a line-of-credit with Adirondack Trust Company for \$500,000, under which SPAC may borrow at the prime rate minus .38% (3.12% and 2.87% at December 31, 2015 and 2014, respectively), which is due on demand. There were no amounts outstanding at both December 31, 2015 and 2014. This line-of-credit is secured by investments.

Note 5 - Employee Benefit Plan

SPAC accounts for its defined benefit pension plan by recognizing the funded status of an asset or liability in its statement of financial position. Changes in the plan's funded status are recognized in unrestricted net assets in the year in which the changes occur.

Obligations and Funded Status

	December 31,	
	2015	2014
Projected benefit obligation	\$ 1,302,266	\$ 1,420,998
Fair value of plan assets	1,196,199	1,373,143
Funded status at end of year	\$ (106,067)	\$ (47,855)

Amounts recognized on the statements of financial position consist of:

	December 31,	
	2015	2014
Current liabilities	\$ -	\$ (15,554)
Noncurrent liabilities	(106,067)	(32,301)
	\$ (106,067)	\$ (47,855)

	December 31,	
	2015	2014
Net periodic pension cost/(income)	\$ (44,027)	\$ 21,204
Employer contributions	\$ 15,558	\$ 90,882
Benefits paid	\$ 154,530	\$ 125,164

The following are weighted-average assumptions used to determine benefit obligations:

	December 31,	
	2015	2014
Discount rate	3.85%	3.57%
Rate of compensation increase	N/A	N/A

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 5 - Employee Benefit Plan - Continued

The following are weighted-average assumptions used to determine net periodic benefit cost:

	December 31,	
	2015	2014
Discount rate	3.85%	4.27%
Expected long-term return on plan assets	7.00%	7.00%
Rate of compensation increase	N/A	N/A

Plan Assets

SPAC's expected long-term return on plan assets assumption is based on a periodic review and modeling of the plan's asset allocation and liability structure over a long-term period. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive reviews of historical data and economic/financial market theory. The expected long-term rate of return on assets was selected from within the reasonable range of rates determined by (1) historical real returns, net of inflation, for the asset classes covered by the investment policy and (2) projections of inflation over the long-term period during which benefits are payable to plan participants.

The Plan's weighted-average asset allocation, by asset category, is as follows:

	December 31,	
	2015	2014
Equity securities	59%	65%
Debt securities	40%	33%
Other	1%	2%
Total	100%	100%

SPAC's target asset allocation by asset category at December 31, 2015, was 35%-80% equity securities, 20%-60% debt securities, and 0%-10% other.

SPAC's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner necessary to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges (shown above) by major asset categories.

The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions, and achieve asset returns that are competitive with like institutions employing similar investment strategies.

The investment policy is periodically reviewed by SPAC and a designated third-party fiduciary for investment matters. The policy is established and administered in a manner that is compliant at all times with applicable government regulations.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 5 - Employee Benefit Plan - Continued

The plan's assets measured at fair value on a recurring basis at December 31, 2015 and 2014, are summarized below (see Note 14 for definitions of investment classes and levels):

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
Assets				
Common stocks				
Consumer goods	\$ 37,919	\$ -	\$ -	\$ 37,919
Energy	28,907	-	-	28,907
Financial	68,545	-	-	68,545
Health care	79,419	-	-	79,419
Industrial	70,939	-	-	70,939
Information technology	147,045	-	-	147,045
Telecom	34,720	-	-	34,720
	<u>467,493</u>	<u>-</u>	<u>-</u>	<u>467,493</u>
Fixed income securities				
U.S. Treasury obligations	39,490	-	-	39,490
Corporate bonds	-	437,195	-	437,195
	<u>39,490</u>	<u>437,195</u>	<u>-</u>	<u>476,685</u>
Mutual funds				
Emerging Markets Fund	11,960	-	-	11,960
Growth Fund	61,272	-	-	61,272
Value Fund	116,586	-	-	116,586
International Fund	49,095	-	-	49,095
	<u>238,913</u>	<u>-</u>	<u>-</u>	<u>238,913</u>
Cash	<u>13,108</u>	<u>-</u>	<u>-</u>	<u>13,108</u>
Total investments	<u>\$ 759,004</u>	<u>\$ 437,195</u>	<u>\$ -</u>	<u>\$ 1,196,199</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 5 - Employee Benefit Plan - Continued

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Common stocks				
Consumer goods	\$ 15,234	\$ -	\$ -	\$ 15,234
Energy	83,728	-	-	83,728
Financial	135,284	-	-	135,284
Health care	63,746	-	-	63,746
Industrial	47,970	-	-	47,970
Materials	28,448	-	-	28,448
Technology	151,573	-	-	151,573
Other	46,677	-	-	46,677
	<u>572,660</u>	<u>-</u>	<u>-</u>	<u>572,660</u>
Fixed income securities				
Corporate bonds	-	451,029	-	451,029
Mutual funds				
Bank Loan Funds	-	-	-	-
Bond Funds	61,070	-	-	61,070
Growth Funds	67,920	-	-	67,920
Value Funds	128,418	-	-	128,418
World Stock Funds	68,680	-	-	68,680
	<u>326,088</u>	<u>-</u>	<u>-</u>	<u>326,088</u>
Cash	<u>23,366</u>	<u>-</u>	<u>-</u>	<u>23,366</u>
Total investments	<u>\$ 922,114</u>	<u>\$ 451,029</u>	<u>\$ -</u>	<u>\$ 1,373,143</u>

Cash Flows

Projected benefit payments expected for the next ten years are as follows:

For the year ending December 31,

2016	\$ 99,407
2017	96,147
2018	93,190
2019	90,496
2020	88,018
2021 through 2025	404,993

SPAC is not expecting to make any contributions to the plan for the year ending December 31, 2016.

Effective September 30, 2005, the plan was frozen. Employees will not accrue any further benefits after this date. All employees participating in the plan at that date became fully vested in their accrued benefits as of September 30, 2006.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 6 - Profit Sharing Plan

SPAC has a non-contributory defined contribution profit sharing plan covering substantially all full-time employees. Eligible employees must have completed one year of service and worked at least 1,000 hours. Employer contributions of \$91,316 and \$89,495 were accrued as of December 31, 2015 and 2014, respectively.

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	December 31,	
	2015	2014
Museum exhibits	\$ 12,184	\$ 14,000
Classical performances, endowment	2,249,224	2,407,105
	\$ 2,261,408	\$ 2,421,105

Note 8 - Permanently Restricted Net Assets

Permanently restricted net assets are restricted for the following purposes:

	December 31,	
	2015	2014
Classical performances	\$ 2,500,000	\$ 2,500,000
Other	85,414	85,414
	\$ 2,585,414	\$ 2,585,414

SPAC has entered into an agreement with the H. Schaffer Foundation (Foundation) whereby the Foundation made a grant in the amount of \$2,500,000 designating all income derived from the grant to be used at SPAC's discretion for presentations of ballet, orchestra, chamber music, and opera.

Note 9 - Endowment

SPAC's endowment consists of various investments overseen by the Investment Committee of the Board of Directors. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 9 - Endowment - Continued

Relevant Law

The Board of Directors of SPAC has interpreted the New York State Not-For-Profit Corporation Law (NPCL) requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SPAC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by SPAC in a manner consistent with the standard procedures prescribed in NPCL Article 5-A. Management considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund;
- b. The purposes of SPAC and the donor-restricted endowment fund;
- c. General economic conditions;
- d. The possible effect of inflation and deflation;
- e. The expected total return from income and the appreciation of investments;
- f. Other resources of the organization;
- g. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the organization, and
- h. The investment policies of the organization.

2015

Endowment net asset composition by type of fund:

	December 31, 2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 2,249,224	\$ 2,585,414	\$ 4,834,638
Board-designated endowment funds	1,162,372			1,162,372
Total funds	\$ 1,162,372	\$ 2,249,224	\$ 2,585,414	\$ 5,997,010

Changes in endowment net assets:

	Year Ended December 31, 2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, <i>beginning of year</i>	\$ 1,199,784	\$ 2,407,105	\$ 2,585,414	\$ 6,192,303
Investment income	25,682	122,168	-	147,850
Net gain, realized	36,310	187,513	-	223,823
Fees to managers	(9,452)	(31,561)	-	(41,013)
Net loss, unrealized	(92,141)	(436,001)	-	(528,142)
Total investment return	(39,601)	(157,881)	-	(197,482)
Contributions	2,189	-	-	2,189
Endowment net assets, <i>end of year</i>	\$ 1,162,372	\$ 2,249,224	\$ 2,585,414	\$ 5,997,010

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements December 31, 2015 and 2014

Note 9 - Endowment - Continued

Relevant Law - Continued

2014

Endowment net asset composition by type of fund:

	December 31, 2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 2,407,105	\$ 2,585,414	\$ 4,992,519
Board-designated endowment funds	1,199,784	-	-	1,199,784
Total funds	\$ 1,199,784	\$ 2,407,105	\$ 2,585,414	\$ 6,192,303

Changes in endowment net assets:

	Year Ended December 31, 2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, <i>beginning of year</i>	\$ 1,130,646	\$ 2,188,245	\$ 2,585,414	\$ 5,904,305
Investment return				
Investment income	27,880	125,832	-	153,712
Net gain, realized	28,544	77,381	-	105,925
Fees to managers	(8,675)	(28,282)	-	(36,957)
Net gain, unrealized	14,994	43,929	-	58,923
Total investment return	62,743	218,860	-	281,603
Contributions	6,395	-	-	6,395
Endowment net assets, <i>end of year</i>	\$ 1,199,784	\$ 2,407,105	\$ 2,585,414	\$ 6,192,303

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires SPAC to retain it as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature would be reported in unrestricted net assets. These deficiencies could result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board of Directors. There were no such deficiencies as of December 31, 2015 and 2014.

Return Objectives and Risk Parameters

SPAC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that SPAC must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to obtain a real rate of return on plan assets so that plan assets both grow in value at a rate that exceeds the rate of inflation over the long-term and in a way that limits yearly volatility to acceptable levels as reviewed and determined by the Investment Committee.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 9 - Endowment - Continued

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, SPAC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). SPAC targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

SPAC's policy for distributing endowment fund earnings is based on the need to support its classical programming. Whether any distributions are made from endowment funds is decided annually by the Board of Directors in conjunction with SPAC's annual operating budget. Accordingly, over the long term, SPAC expects the current spending policy to allow its endowment to grow at a rate that exceeds the rate of inflation. This is consistent with SPAC's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 10 - In-Kind Contributions

In 2015 and 2014, SPAC entered into barter agreements, whereby it received \$260,590 and \$269,308, respectively, in gifts in-kind. A portion of these gifts include exchanging ticket inventory for future advertising credits. When these gifts included ticket inventory, the value of the ticket inventory, at the lower of cost or market value, was netted against the value of the gift in-kind, and only the net value was recorded as in-kind.

Note 11 - License Agreement

SPAC has an agreement with a third party to receive exclusive right and license to book, co-promote, co-produce, and co-present all Touring and Professional (T&P) events at SPAC through September 2019. In consideration of a guaranteed fee paid to SPAC each year, plus a percentage based on attendance, the third party is entitled to all revenues derived from, relating to, or otherwise generated by the presentation of T&P events presented at SPAC. In addition, the third party shall bear all the financial risk associated with the promotion, production, and presentation of each T&P event.

Note 12 - Related Party Transactions

During 1998, SPAC's Board of Directors entered into an employment agreement with the then President of SPAC for a term of eight years. The agreement included provisions for a variable split dollar life insurance policy and an estate enhancement program last survivor variable split dollar life insurance policy. Under the terms of the agreement, SPAC was obligated to pay annual premiums on these policies and is to be repaid in full for those premiums from the proceeds of the policies.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 12 - Related Party Transactions - Continued

Additionally, the agreement includes a supplemental retirement agreement which provides for annual payments to be made to a deferred compensation account of which SPAC is the beneficiary. Payments to SPAC's then President are scheduled to begin at the later of his attainment of age 60 or his retirement date. The individual resigned and a termination agreement resolved most aspects of the employment agreement. In 2014, SPAC was entitled to recoup a portion of the cumulative premium payments related to the split-dollar life insurance policy. SPAC received cumulative premiums of \$444,752 in 2014. Assets of SPAC under these provisions of the agreements are reflected in the combined statements of financial position as insurance premiums receivable.

Note 13 - Commitments and Contingencies

a. Concentrations of Credit Risk

SPAC and the Museum maintain cash balances in several financial institutions located in the Northeast. Accounts at these institutions are insured up to certain limits, established by the Federal Deposit Insurance Corporation (FDIC). At times, SPAC and the Museum have bank deposits in excess of amounts insured by the FDIC.

b. License and Lease Agreements

SPAC constructed an amphitheater on land owned by the State of New York, at a cost of \$2,687,986 from 1964 to 1966. In accordance with the provisions of a licensee agreement dated March 1, 1969, SPAC transferred title of the amphitheater to the State in exchange for exclusive use of the amphitheater during the months of June through September each year for a period of fifty years. SPAC has the right to renew the license, which expires February 28, 2019, for an additional period of fifty years.

The Museum is currently leasing its facility from the New York State Office of Parks, Recreation and Historic Preservation (OPRHP). The original lease was signed in December 1984. The most recent amendment extends the lease until December 31, 2017. The lease requires an annual rental payment of \$25,000.

c. Escrow Account

SPAC is party to an agreement with OPRHP granting SPAC a license to use the Hall of Springs for the purpose of operating a concession for the sale of food and beverages through March 2016. Under the terms of the agreement, SPAC is required to remit to OPRHP the greater of \$20,000, or 45% of the revenue earned by SPAC under the agreement on an annual basis. Additionally, SPAC is required to deposit an additional 10% of annual revenues earned into a replacement and refurbishment account. The intent of the account is to provide funds to enhance and refurbish portions of the licensed premises. All expenditures from the account require the prior approval of OPRHP and co-authorization by SPAC and OPRHP. SPAC's liability under the agreement is \$181,386 and 152,954 at December 31, 2015 and 2014, respectively, and is reflected in accounts payable and accrued expenses on the combined statements of financial position.

U.S. GAAP provides a framework for measuring fair value that includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 14 - Fair Value of Financial Instruments

The following three levels of inputs may be used to measure fair value:

- Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.
- Level 3 Unobservable inputs that are supported by little or no market activity.

Fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2015 and 2014:

Common Stocks and U.S. Treasury Obligations: Valued at the quoted closing price reported in the active market in which the individual security is traded.

Mutual Funds: Valued at the quoted net asset value (NAV) of shares held at year-end.

Fixed Income Securities: Valued at yields currently available on comparable securities of issuers with similar credit ratings. Corporate bonds are valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

A summary of assets measured at fair value on a recurring basis are summarized below:

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
Assets				
Common stocks				
Basic materials	\$ 331,719	\$ -	\$ -	\$ 331,719
Consumer goods	242,255	-	-	242,255
Financial	923,155	-	-	923,155
Health care	428,628	-	-	428,628
Industrial	224,088	-	-	224,088
Service	478,193	-	-	478,193
Technology	732,097	-	-	732,097
Utilities	37,250	-	-	37,250
Total	3,397,385	-	-	3,397,385
Fixed income securities				
Corporate bonds	-	1,019,182	-	1,019,182
Mortgage backed securities	-	75,228	-	75,228
Total	-	1,094,410	-	1,094,410
Mutual funds				
Growth Funds	255,300	-	-	255,300
Value Funds	512,064	-	-	512,064
World Stock Funds	257,942	-	-	257,942
Total	1,025,306	-	-	1,025,306
Total investments	\$ 4,422,691	\$ 1,094,410	\$ -	\$ 5,517,101

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Notes to Combined Financial Statements
December 31, 2015 and 2014

Note 14 - Fair Value of Financial Instruments - Continued

	December 31, 2014			Total
	Level 1	Level 2	Level 3	
Assets				
Common stocks				
Basic materials	\$ 334,072	\$ -	\$ -	\$ 334,072
Consumer goods	396,230	-	-	396,230
Financial	1,127,731	-	-	1,127,731
Health care	414,001	-	-	414,001
Industrial	301,712	-	-	301,712
Service	456,368	-	-	456,368
Technology	679,421	-	-	679,421
Utilities	33,375	-	-	33,375
Total	<u>3,742,910</u>	<u>-</u>	<u>-</u>	<u>3,742,910</u>
Fixed income securities				
Real estate	-	75,138	-	75,138
Corporate bonds	-	804,377	-	804,377
Mortgage backed securities	-	1,043	-	1,043
U.S. treasury obligations	51,832	-	-	51,832
Total	<u>51,832</u>	<u>880,558</u>	<u>-</u>	<u>932,390</u>
Mutual funds				
Bond Funds	189,120	-	-	189,120
Growth Funds	283,000	-	-	283,000
Value Funds	564,032	-	-	564,032
World Stock Funds	286,840	-	-	286,840
Total	<u>1,322,992</u>	<u>-</u>	<u>-</u>	<u>1,322,992</u>
Total investments	<u>\$ 5,117,734</u>	<u>\$ 880,558</u>	<u>\$ -</u>	<u>\$ 5,998,292</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information -
Statement of Financial Position - Saratoga Performing Arts Center, Inc.

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,796,822	\$ 1,404,267
Accounts receivable, net	497,997	360,836
Accrued interest receivable	7,540	8,335
Other current assets	117,330	75,848
Due from affiliate	88,835	107,381
Total current assets	2,508,524	1,956,667
OTHER ASSETS		
Investments	5,517,101	5,998,292
Leasehold improvements and equipment, net	1,042,457	1,144,381
Insurance premiums receivable	159,950	159,950
	\$ 9,228,032	\$ 9,259,290
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 327,076	\$ 319,024
Accrued pension expense	91,316	89,495
Current installments of postretirement benefits	-	15,554
Deferred revenues	1,694,870	1,274,343
Total current liabilities	2,113,262	1,698,416
LONG-TERM LIABILITIES		
Liability for postretirement benefits, less current installments	106,067	32,301
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted		
Board designated	1,162,372	1,199,784
Undesignated	1,011,693	1,336,270
	2,174,065	2,536,054
Temporarily restricted	2,249,224	2,407,105
Permanently restricted	2,585,414	2,585,414
Total net assets	7,008,703	7,528,573
	\$ 9,228,032	\$ 9,259,290

See Independent Auditor's Report.

Saratoga Performing Arts Center, Inc. and National Museum of Dance

Supplementary Information - Statement of Activities - Saratoga Performing Arts Center, Inc.

	Years Ended December 31, 2015 and 2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
OPERATING REVENUES AND GAINS					
Ticket sales and admissions	\$ 3,357,259	\$ -	\$ -	\$ 3,357,259	\$ 3,051,151
Membership revenues	2,530,631	-	-	2,530,631	2,137,029
Unrestricted gifts and grants	175	-	-	175	6,395
Restricted gifts and grants	908,607	8,282	-	916,889	1,139,094
Fundraising event income	938,127	-	-	938,127	859,053
Third-party license fees	871,490	-	-	871,490	1,182,128
Other operating revenues	767,224	-	-	767,224	768,795
	<u>9,373,513</u>	<u>8,282</u>	<u>-</u>	<u>9,381,795</u>	<u>9,143,645</u>
OPERATING EXPENSES					
Performance costs					
Direct talent costs	4,859,856	-	-	4,859,856	4,406,877
Production expenses	1,299,244	-	-	1,299,244	1,218,420
Advertising and publicity	744,212	-	-	744,212	664,039
Box office	210,348	-	-	210,348	207,300
Fundraising event expenses	491,423	-	-	491,423	433,210
Other operating expenses	199,842	-	-	199,842	197,470
Administrative and general	1,552,273	31,561	-	1,583,834	1,716,997
Depreciation	233,900	-	-	233,900	227,743
	<u>9,591,098</u>	<u>31,561</u>	<u>-</u>	<u>9,622,659</u>	<u>9,072,056</u>
Operating expenses in excess of operating revenues and gains	<u>(217,585)</u>	<u>(23,279)</u>	<u>-</u>	<u>(240,864)</u>	<u>71,589</u>
NON-OPERATING REVENUES, GAINS, AND LOSSES					
Investment income, net	25,682	113,886	-	139,568	145,013
Gains on sales of investments, net	36,310	187,513	-	223,823	105,925
Unrealized gains (losses) on investments, net	(92,141)	(436,001)	-	(528,142)	58,923
Other interest income	3,542	-	-	3,542	1,957
	<u>(26,607)</u>	<u>(134,602)</u>	<u>-</u>	<u>(161,209)</u>	<u>311,818</u>
OTHER CHANGE IN NET ASSETS					
Pension related income other than net periodic costs	(117,797)	-	-	(117,797)	424,081
CHANGE IN NET ASSETS	<u>(361,989)</u>	<u>(157,881)</u>	<u>-</u>	<u>(519,870)</u>	<u>807,488</u>
NET ASSETS, <i>beginning of year</i>	<u>2,536,054</u>	<u>2,407,105</u>	<u>2,585,414</u>	<u>7,528,573</u>	<u>6,721,085</u>
NET ASSETS, <i>end of year</i>	<u>\$ 2,174,065</u>	<u>\$ 2,249,224</u>	<u>\$ 2,585,414</u>	<u>\$ 7,008,703</u>	<u>\$ 7,528,573</u>

See Independent Auditor's Report.

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information -
Summary of Statement of Activities Based on
Internal Operating Statement - Saratoga Performing Arts Center, Inc.

	Years Ended December 31,	
	2015	2014
OPERATING REVENUES		
Ticket sales and admissions	\$ 3,357,259	\$ 3,051,151
Membership revenues	2,530,631	2,137,029
Gifts and bequests	917,064	1,145,489
Third-party license fees	871,490	1,182,128
Fundraising event income	938,127	859,053
Other operating revenues	767,224	768,795
	9,381,795	9,143,645
OPERATING EXPENSES		
Direct talent	4,859,856	4,406,877
Production expenses	1,299,244	1,218,420
Advertising and publicity	744,212	664,039
Box office	210,348	207,300
Fundraising event expense	491,423	433,210
Other operating expenses	199,842	197,470
Administrative and general	1,542,821	1,680,040
	9,347,746	8,807,356
Operating income	34,049	336,289
NON-OPERATING REVENUE (EXPENSES)		
Depreciation	(233,900)	(227,743)
Investment income	143,110	146,970
Gains on sales of investments, net	223,823	105,925
Investment management fees	(41,013)	(36,957)
Other pension related gains	(117,797)	424,081
Unrealized gains on investments, net	(528,142)	58,923
	(519,870)	807,488
Net income (loss)	\$ (519,870)	\$ 807,488

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information -
Statement of Financial Position - National Museum of Dance

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 646,962	\$ 663,449
Accounts receivable	500	1,516
Other current assets	9,885	7,587
Total current assets	657,347	672,552
LEASEHOLD IMPROVEMENTS AND EQUIPMENT, net	704,586	701,941
	\$ 1,361,933	\$ 1,374,493
	\$ 1,361,933	\$ 1,374,493
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 59,925	\$ 61,538
Deferred revenues	28,020	73,907
Due to affiliate	88,835	107,381
Total current liabilities	176,780	242,826
NET ASSETS		
Unrestricted	1,172,969	1,117,667
Temporarily restricted	12,184	14,000
Total net assets	1,185,153	1,131,667
	\$ 1,361,933	\$ 1,374,493
	\$ 1,361,933	\$ 1,374,493

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information -
Statement of Activities - National Museum of Dance

	Years Ended December 31,			
	Unrestricted	Temporarily Restricted	2015 Total	2014 Total
REVENUES AND GAINS				
Admissions	\$ 18,468	\$ -	\$ 18,468	\$ 14,129
Membership revenue	13,315	-	13,315	21,612
Unrestricted gifts and grants	114,740	-	114,740	870
Restricted gifts and grants	81,349	-	81,349	39,773
Fundraising event income	300,832	-	300,832	337,195
Exceptional gifts	-	-	-	420,000
Other operating revenues	469,641	-	469,641	501,350
Net assets released from restriction	1,816	(1,816)	-	-
	<u>1,000,161</u>	<u>(1,816)</u>	<u>998,345</u>	<u>1,334,929</u>
EXPENSES				
Museum program	173,153	-	173,153	177,654
Advertising and publicity	11,798	-	11,798	14,146
Fundraising event expense	120,580	-	120,580	117,647
Other operating	199,738	-	199,738	193,470
Administrative and general	332,015	-	332,015	332,635
Depreciation	108,226	-	108,226	80,811
	<u>945,510</u>	<u>-</u>	<u>945,510</u>	<u>916,363</u>
Operating revenues and gains in excess of operating expenses	54,651	(1,816)	52,835	418,566
NON-OPERATING REVENUES AND GAINS				
Interest income	651	-	651	620
	<u>651</u>	<u>-</u>	<u>651</u>	<u>620</u>
CHANGE IN NET ASSETS	55,302	(1,816)	53,486	419,186
NET ASSETS, <i>beginning of year</i>	<u>1,117,667</u>	<u>14,000</u>	<u>1,131,667</u>	<u>712,481</u>
NET ASSETS, <i>end of year</i>	<u>\$ 1,172,969</u>	<u>\$ 12,184</u>	<u>\$ 1,185,153</u>	<u>\$ 1,131,667</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information -
Summary of Statement of Activities Based on
Internal Operating Statement - National Museum of Dance

	Years Ended December 31,	
	2015	2014
OPERATING REVENUES		
Admissions	\$ 18,468	\$ 14,129
Service fees	456,516	486,115
Gifts and grants	196,089	40,643
Membership income	13,315	21,612
Interest income	651	620
Revenues from auxiliary activities	12,820	14,437
Fundraising event income	300,832	337,195
Other operating revenues	305	798
	<u>998,996</u>	<u>915,549</u>
OPERATING EXPENSES		
Program expenses	184,951	191,800
Management and general	332,015	332,635
Fundraising event expense	120,580	117,647
Costs of sales and expense of auxiliary activities	199,738	193,470
	<u>837,284</u>	<u>835,552</u>
Operating income	161,712	79,997
NON-OPERATING REVENUE (EXPENSES)		
Exceptional gifts	-	420,000
Depreciation	(108,226)	(80,811)
	<u>(108,226)</u>	<u>(80,811)</u>
Net income	\$ 53,486	\$ 419,186

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information - Other Operating Revenues
Saratoga Performing Arts Center, Inc.

	Years Ended December 31,	
	2015	2014
RESTAURANT		
Fees	\$ 348,186	\$ 345,224
Less related expenses	160,383	159,874
	187,803	185,350
AMPHITHEATER		
Rental fees	85,468	84,740
Less related expenses	39,459	37,596
	46,009	47,144
BOX OFFICE SERVICE FEES	257,877	265,427
HOUSE PROGRAM AND SOUVENIR ITEMS	5,895	7,230
SARATOGA JAZZ FESTIVAL	40,607	44,656
OTHER	29,191	21,518
	\$ 567,382	\$ 571,325

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information - Production Expenses
Saratoga Performing Arts Center, Inc.

	<u>Years Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
SALARIES AND WAGES		
Stage crew	\$ 300,812	\$ 278,517
Security and parking	49,650	44,283
Theater staff	94,900	79,160
Payroll taxes	34,044	28,363
Other	8,528	16,921
	<u>487,934</u>	<u>447,244</u>
Custodial supplies	3,271	5,802
Electrical supplies	105,081	111,696
Licenses and fees	3,884	3,594
Maintenance	64,426	58,413
Maintenance of grounds	130,912	77,994
Musical and sound rental	151,558	158,373
Piano tuning	1,805	2,280
Utilities	66,274	62,987
Other	284,099	290,037
	<u>284,099</u>	<u>290,037</u>
	 <u>\$ 1,299,244</u>	 <u>\$ 1,218,420</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information - Advertising and Publicity Expenses
Saratoga Performing Arts Center, Inc.

	<u>Years Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Salaries and wages	\$ 352,421	\$ 219,179
Payroll taxes	30,297	22,237
Advertising and publicity	273,791	330,426
Design of advertising	13,037	13,371
Mailing list maintenance	-	2,140
Printing	36,788	23,181
Other	37,878	53,505
	<u>\$ 744,212</u>	<u>\$ 664,039</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information - Box Office Expenses
Saratoga Performing Arts Center, Inc.

	Years Ended December 31,	
	2015	2014
Salaries and wages	\$ 102,106	\$ 109,488
Payroll taxes	13,048	14,345
Printing and forms	1,826	3,783
Service charges	88,157	73,714
Equipment rental	460	-
Other	4,751	5,970
	<u>\$ 210,348</u>	<u>\$ 207,300</u>

**Saratoga Performing Arts Center, Inc.
and National Museum of Dance**

Supplementary Information - Administrative and General Expenses
Saratoga Performing Arts Center, Inc.

	Years Ended December 31,	
	2015	2014
Salaries and wages	\$ 817,134	\$ 858,577
Payroll taxes	71,834	76,714
Employee benefits	194,511	232,645
Accounting and legal	29,200	28,000
Bad debt expense	8,419	3,970
Custodial	8,694	8,556
Development office fund raising	108,022	93,962
Dues and subscriptions	5,987	4,905
Equipment rental	40,973	50,767
Facility repairs and maintenance	21,774	33,314
Insurance	120,292	114,029
Investment management fees	41,013	36,957
Office supplies	7,450	20,296
Postage	15,062	24,051
Telephone	26,842	34,317
Travel and entertainment, Director	14,105	34,740
Other	52,522	61,197
	\$ 1,583,834	\$ 1,716,997