

**GOVERNOR NELSON A. ROCKEFELLER  
EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION  
(An Enterprise Fund of the State of New York)**

**FINANCIAL STATEMENTS  
(and Report of Independent Accountants)**

**March 31, 2014 and 2013**

**GOVERNOR NELSON A. ROCKEFELLER  
EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION  
(An Enterprise Fund of the State of New York)**

**FINANCIAL STATEMENTS**

**March 31, 2014 and 2013**

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PRYBA, TOBIN & ASSOCIATES, PC  
Certified Public Accountants

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Robert A. Pryba Jr., CPA  
Michael A. Tobin II, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Directors

Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation

We have audited the accompanying financial statements of the Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (The Egg), a New York Public Benefit Corporation and an Enterprise Fund of the State of New York, which comprise the statements of net assets as of March 31, 2014 and 2013, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation as of March 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of The Egg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

***Pryba, Tobin & Associates, C.P.A.'s, P.C.***

Latham, New York  
June 27, 2014

## **Management Discussion and Analysis**

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation, hereafter referred to as “The Egg”, is pleased to present its 2014 Annual Financial Report developed in compliance with the Statement of Governmental Standard No. 34 (GASB34) and related standards.

### **Responsibilities and Controls**

The management of The Egg has prepared and is responsible for the financial statements and related information included in this report. A system of internal controls is maintained to provide reasonable assurance that assets are safeguarded and the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on the recognition that the cost of the system should not exceed its benefits, management believes that its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Egg’s system of internal accounting controls is evaluated on an ongoing basis by The Egg’s internal financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

The Finance Committee of The Egg’s Board of Directors serves the role of an Audit Committee. It is composed of members of the Board who are not employees of The Egg and who provide a broad view of management’s financial reporting and control functions. Periodically, this Committee meets with management and the independent external auditors to ensure these groups are fulfilling their obligations and to discuss auditing, controls and financial reporting matters.

Management believes that its policies and procedures provide guidance and reasonable assurance that The Egg’s operations are conducted according to management’s intentions and to a high standard of business ethics. In management’s opinion, the financial statements present fairly, in all material aspects, the financial position, results of operations, and cash flows of the Egg in conformity with the accounting principles generally accepted in the United States of America.

### **Audit Assurance**

The unmodified (i.e. clean) opinion of our independent external auditors, Pryba, Tobin & Associates, CPAs, P.C. is included on pages 1 and 2 of this report. This section presents management’s discussion and analysis of The Egg’s financial condition and activities for the year ending March 31, 2014. This information should be read in conjunction with the financial statements.

### **Financial Highlights**

The following are some of the key highlights of the last fiscal year:

- The Egg was able to end the year with a budget surplus attributed primarily to the NYS funding provided through the New York State Council of the Arts to support the Center’s work in managing the operations of the NYS Presenters Network.
- The Center also saw an increase in both ticket sales and rental income which combined with administrative efficiencies caused the programming overall to be more cost effective.
- The Center coordinated another tour of its “NY Banjo” project which served as the organization’s primary fund raising event. A 35<sup>th</sup> anniversary event was another fund raising initiative.

## **REQUIRED FINANCIAL STATEMENTS**

The financial statements for The Egg report information about the accounting methods which are used and are similar to those used by private sector companies. These statements offer short and long term financial information about its activities.

The statement of net assets includes all of The Egg's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to The Egg's creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the statement of revenues and expenses. This statement measures the success of The Egg's operations over the past year and can be used to determine whether The Egg has successfully met all its costs and fees through its admissions and rental of the facility.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of the material data provided in the statements. The notes present information about The Egg's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

## **SUMMARY OF ORGANIZATION AND BUSINESS**

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (a/k/a The Egg) was created by an act of Legislation in 1979 to provide upstate New York with a world class performing arts center in order to present the finest artistic talent in New York State as well as provide a venue for international artists. A public benefit corporation, The Egg presents world class modern dance and family entertainment, as well as a wide variety of music and theater events. Although predominantly local, The Egg's audience comes from Western Massachusetts, Syracuse, Poughkeepsie, the Adirondack Region, as well as national and international tour groups. In addition, it is The Egg's policy to provide free tickets to many public service organizations in the Capital Region so that those who are living below the poverty level can have the same cultural opportunities as those who can afford a full price ticket. In this way, as well as programming, The Egg attracts the most diverse audiences, bringing them together through the shared experience of artistic creation. The Egg also provides space and develops programs for civic, governmental, performing arts, and other cultural and public entities for the benefit of the citizens of New York State, as well as the departments and agencies of New York State government.

The Egg pays the New York State Office of General Services (OGS), a related party, for its maintenance, insurance, parking and telephones. The venue is maintained by OGS, but is operated and managed by The Egg and consists of the Kitty Carlisle Hart Theater (982 seats) and The Lewis A. Swyer Theater (445 seats). Each theater offers a spacious lounge area; the Hart Theater Lounge is capable of holding large receptions. Offices are located on the Concourse and P-1 Levels of the Empire State Plaza; the P-1 area contains a scene shop, costume shop, paint room, 2 large rehearsal rooms as well as storage.

## General Authority Data

The Egg hosted more than 145 events (including both public and private performances and corporate events) during its 2013-14 season with more than 67,000 people attending.

## Financial Analysis

The following comparative condensed financial statements and other selected information provide key financial data and indicators for management, monitoring and planning.

<u>Condensed Statement of Net Assets</u>				
	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Current assets	\$ 788,001	\$ 646,222	\$ 141,779	22
Equipment, net	<u>11,187</u>	<u>7,443</u>	<u>3,744</u>	<u>50</u>
Total assets	<u>\$ 799,188</u>	<u>\$ 653,665</u>	<u>\$ 145,523</u>	<u>22</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities	<u>\$ 601,466</u>	<u>\$ 593,059</u>	<u>\$ 8,407</u>	<u>1</u>
<b>NON-CURRENT LIABILITIES</b>				
Other postretirement benefits	<u>361,304</u>	<u>308,807</u>	<u>52,497</u>	<u>17</u>
<b>Net assets</b>				
Invested in capital assets	11,187	7,444	3,743	50
Unrestricted	<u>(174,769)</u>	<u>(255,645)</u>	<u>80,876</u>	<u>(32)</u>
Total net assets	<u>(163,582)</u>	<u>(248,201)</u>	<u>84,619</u>	<u>(34)</u>
Total liabilities and net assets	<u>\$ 799,188</u>	<u>\$ 653,665</u>	<u>\$ 145,523</u>	<u>22</u>

<u>Condensed Statements of Revenues, Expenses and Changes in Net Assets</u>				
	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenue	\$ 1,817,839	\$ 1,553,075	\$ 264,764	17
Non-operating revenue	<u>519</u>	<u>558</u>	<u>(39)</u>	<u>(7)</u>
Total revenues	<u>1,818,358</u>	<u>1,553,633</u>	<u>264,725</u>	<u>17</u>
Depreciation expense	5,529	6,907	(1,378)	(20)
Other operating expense	<u>1,728,210</u>	<u>1,602,613</u>	<u>125,597</u>	<u>8</u>
Total expenses	<u>1,733,739</u>	<u>1,609,520</u>	<u>124,219</u>	<u>8</u>
Change in net assets	84,619	(55,887)	140,506	251
Net assets, beginning of year	<u>(248,201)</u>	<u>(192,314)</u>	<u>(55,887)</u>	<u>29</u>
Net assets, end of year	<u>\$ (163,582)</u>	<u>\$ (248,201)</u>	<u>\$ 84,619</u>	<u>34</u>

## **Financial Condition**

The overall financial position of The Egg was strong at year end. During the past four fiscal years, The Egg has generated operating surpluses and has erased a substantial negative fund balance.

As noted in previous financial statements, over the past two decades, The Egg has received 33% to 50% of its operating revenue from the State of New York. While the percentage has significantly declined in recent years due to the success of programming and management of The Egg, these funds remain critical to The Egg's ability to deliver on its mission to present a wide range of artistic talent to its diverse audience.

## **Long Term Obligations**

With its current cash flow, The Egg has been able to pay all other vendors within the Prompt Payment Guidelines that have been established by management.

The Egg has recorded a long-term obligation for other postretirement benefits.

## **Contacting the Authority's Financial Manager**

This financial report is intended to provide a general overview of The Egg's fiscal health and to illustrate The Egg's accountability for the revenue it receives. If you have questions about this report or need further information, contact the Business Manager, Matthew G. Moross at The Egg, PO Box 2065, Albany, NY 12220 or at [www.theegg.org](http://www.theegg.org).

## **Principal Officials**

The Egg's Board of Directors is as follows:

<u>Name</u>	<u>Appointed by</u>
Susan T. Cleary	Governor
Thomas Nardacci	Governor
Sari O'Connor	Governor
RoAnn Destito	OGS Commissioner
Anthony Esposito	Governor
Sharon Bright Holub	County Executive
Charles M. Liddle	Governor
Brian Petraitis, Acting Chair	Speaker of the Assembly
James I. Sullivan	Governor
Reg Willcocks	Minority Leader of Assembly
John A. Frederick	Mayor of Albany
Vincent McArdle	Governor
Joyce Shenker	Speaker of the Assembly
Alexander Boschi	President of the Senate
Maston Sansom	President of the Senate
Anthony Williamson	Minority Leader of the Senate

Peter A. Lesser, Executive Director

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
ARTS CENTER CORPORATION**

**STATEMENTS OF NET ASSETS**  
March 31, 2014 and 2013

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 681,303	\$ 568,269
Cash - Agency funds held	9,927	
Accounts receivable	50,453	35,652
Accounts receivable - Agency		12,504
Prepaid expenses	56,245	29,797
Total current assets	797,928	646,222

**EQUIPMENT, net**

	11,187	7,443
	\$ 809,115	\$ 653,665

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 325,435	\$ 374,680
Agency funds payable	9,927	
Deferred revenue	154,526	88,650
Vendor tickets payable	121,505	129,729
Total current liabilities	611,393	593,059

**NON-CURRENT LIABILITIES**

Other postretirement benefits	361,304	308,807
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**NET ASSETS**

Investment in capital assets	11,187	7,444
Unrestricted	(174,769)	(255,645)
	(163,582)	(248,201)
	\$ 809,115	\$ 653,665

See notes to financial statements.

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
ARTS CENTER CORPORATION**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Ticket sales	\$ 836,451	\$ 744,988
Rental, concession, and other operating revenue	540,406	467,429
Corporate and foundation grants	129,343	34,978
Individual contributions	71,918	71,542
State appropriations	220,000	220,000
Special event and fundraising, net of expenses of \$189,116 and \$201,943, respectively	19,721	14,138
Total operating revenues	<u>1,817,839</u>	<u>1,553,075</u>
Operating Expenses		
Performance costs		
Programming	554,684	486,536
Marketing	44,024	26,421
Front of house	7,149	4,499
Production	84,118	85,094
	<u>689,975</u>	<u>602,550</u>
Management and general		
Salaries and wages	523,560	499,785
Payroll taxes	50,596	50,748
Depreciation	5,529	6,907
Employee benefits	177,057	159,364
General and administrative	110,359	105,509
Insurance	25,135	29,899
Maintenance	97,950	97,850
Travel and entertainment	1,081	1,021
	<u>991,267</u>	<u>951,083</u>
Total operating expenses	<u>1,681,242</u>	<u>1,553,633</u>
Operating income (loss) before other postretirement benefits	136,597	(558)
Other postretirement benefits (Note 7)	52,497	55,887
Operating (income) loss	<u>84,100</u>	<u>(56,445)</u>
Nonoperating Revenues		
Interest earnings	519	558
Change in net assets	84,619	(55,887)
Net Assets, beginning of year	<u>(248,201)</u>	<u>(192,314)</u>
Net Assets, end of year	<u>\$ (163,582)</u>	<u>\$ (248,201)</u>

See notes to financial statements.

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
ARTS CENTER CORPORATION**

**STATEMENTS OF CASH FLOWS**  
Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 1,448,928	\$ 1,222,482
Received from grants and contributions	199,985	107,096
Received from State appropriations	220,000	220,000
Paid to suppliers and vendors for goods and services	(1,019,730)	(762,054)
Paid to employees for services, including benefits	(739,899)	(716,873)
Payments made/collected on behalf of Agency	12,504	(12,504)
Net cash provided by operating activities	<u>121,788</u>	<u>58,147</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Acquisition of capital assets	<u>(9,273)</u>	<u>(3,073)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>519</u>	<u>558</u>
Net increase in cash	113,034	55,632
Cash, beginning of year	<u>568,269</u>	<u>512,637</u>
Cash, end of year	<u>\$ 681,303</u>	<u>\$ 568,269</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 84,100	\$ (56,445)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	5,529	6,907
(Increase) decrease in operating assets and increase (decrease) in operating liabilities		
Accounts receivable	(14,801)	(22,198)
Accounts receivable - Agency	12,504	(12,504)
Prepaid expenses and other current assets	(26,448)	(4,860)
Accounts payable and accrued expenses	(49,245)	102,868
Deferred revenue	65,876	18,700
Vendor ticket payable	(8,224)	(30,208)
Other postretirement benefits	52,497	55,887
Net cash provided by operating activities	<u>\$ 121,788</u>	<u>\$ 58,147</u>

See notes to financial statements.

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
ARTS CENTER CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2014 and 2013

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1. Summary of Significant Accounting Policies

Organization:

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (The Egg) was created as a public benefit corporation under New York State Public Authorities Law Section 66, Chapter 688 of the Laws of 1979 by the New York State Legislature to provide upstate New York with a performing arts center in order to present the finest artistic talent in New York State during each annual season. The Egg presents world-class modern dance and family entertainment, as well as a wide variety of music and theater events. Although predominantly local, The Egg's audience comes from western Massachusetts, Syracuse, Poughkeepsie, and the Adirondack region, as well as national and international tour groups. In addition, it is The Egg's policy to provide free tickets to many public service organizations in the Capital District so that those living at or below the poverty level can have the same cultural opportunities as those who can afford full-priced tickets. In this way, The Egg attracts the most diverse audiences, bringing them together through the shared experience of artistic creation. The Egg also provides space and develops programs for civic, governmental, performing arts, and other cultural and public entities for the benefit of the citizens of New York State, as well as the departments and agencies of New York State government.

Accounting Method:

The Egg's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America for public authorities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to The Egg is determined by its measurement focus. The transactions of The Egg are accounted for on a flow of economic resources measurement focus. With the measurement focus, all assets and liabilities associated with the operations are included on the statements of net assets. Net assets (i.e., total assets net of total liabilities) are segregated into restricted and unrestricted components.

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents includes all short-term investments with an original maturity of three months or less.

Agency Funds:

The Egg is the fiscal agent for the New York State Presenters Network.

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
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**NOTES TO FINANCIAL STATEMENTS, continued**

March 31, 2014 and 2013

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1. Summary of Significant Accounting Policies, continued

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 on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for doubtful accounts was \$0 at March 31, 2014 and 2013, respectively. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recorded when received.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. The Egg generally does not charge interest on any past due receivables.

Equipment:

Equipment is recorded at cost, except for contributed equipment, which is recorded at fair market value. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is sold or retired, the appropriate accounts are relieved of costs and accumulated depreciation, and the resultant gain or loss is credited or charged to operations.

Depreciation is provided for in amounts to relate the cost of the assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives used in determining depreciation of equipment vary from three to twenty-five years.

Deferred Revenue:

The Egg receives ticket and rental revenues throughout the year. Revenues received for future performances or for future lease periods are deferred, and revenue is recognized in the period which the performance or event occurs.

Income Taxes:

The Egg is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable New York State Law. Contributions received are tax deductible to the donor within limitations prescribed by the Internal Revenue Code. The Egg has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Advertising:

Advertising costs are expensed when incurred. Advertising costs amounted to \$44,024 and \$26,421 for the years ended March 31, 2014 and 2013, respectively.

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
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**NOTES TO FINANCIAL STATEMENTS, continued**  
March 31, 2014 and 2013

2. Cash and Cash Equivalents

The Egg's deposits are categorized to give an indication of the level of risk assumed by The Egg at fiscal year end. The categories are described as follows:

- Category 1            Insured or collateralized with securities held for The Egg by its agent in The Egg's name.
- Category 2            Collateralized with securities held for the pledging financial institution's trust department or agent in The Egg's name.
- Category 3            Uncollateralized.

	March 31, 2014				Carrying Amount
	Bank Balance	Category			
	1	2	3		
Demand deposits	\$ 742,011	\$ 413,705	\$	\$ 328,306	\$ 679,733
Petty cash on hand					950
Undeposited funds					620
	\$ 742,011	\$ 413,705	\$	\$ 328,306	\$ 681,303

	March 31, 2013				Carrying Amount
	Bank Balance	Category			
	1	2	3		
Demand deposits	\$ 623,651 (1)	\$ 377,457	\$	\$ 246,193	\$ 566,619
Petty cash on hand					950
Undeposited funds					700
	\$ 623,651	\$ 377,457	\$	\$ 246,193	\$ 568,269

(1) Exclusive of agency cash

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
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**NOTES TO FINANCIAL STATEMENTS, continued**

March 31, 2014 and 2013

3. Equipment

Equipment, net, consists of the following:

	April 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	March 31, <u>2014</u>
Furniture and fixtures	\$ 11,160	\$	\$ 1,572	\$ 9,588
Office equipment	10,770	7,615	10,944	7,441
Computer equipment	39,022	1,658	1,623	39,057
Theater equipment	<u>111,287</u>	<u></u>	<u>38,582</u>	<u>72,705</u>
	172,239	9,273	52,721	128,791
Less accumulated depreciation	<u>164,796</u>	<u>5,529</u>	<u>52,721</u>	<u>117,604</u>
Equipment, net	<u>\$ 7,443</u>	<u>\$ 3,744</u>	<u>\$</u>	<u>\$ 11,187</u>

	April 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	March 31, <u>2013</u>
Furniture and fixtures	\$ 11,160	\$	\$	\$ 11,160
Office equipment	10,770			10,770
Computer equipment	39,022			39,022
Theater equipment	<u>108,214</u>	<u>3,073</u>	<u></u>	<u>111,287</u>
	169,166	3,073		172,239
Less accumulated depreciation	<u>157,889</u>	<u>6,907</u>	<u></u>	<u>164,796</u>
Equipment, net	<u>\$ 11,277</u>	<u>\$ (3,834)</u>	<u>\$</u>	<u>\$ 7,443</u>

4. Facility Rental

The Egg rents the performing arts facility to outside parties for events, other than performances, which include award ceremonies, meetings, and luncheons. Included in rental, concession, and other operating revenue is \$219,315 and \$163,475, representing rental revenue earned during the years ended March 31, 2014 and 2013, respectively.

**GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING  
ARTS CENTER CORPORATION**

**NOTES TO FINANCIAL STATEMENTS, continued**  
March 31, 2014 and 2013

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5. Related Party Transactions

The Egg pays the New York State Office of General Services (OGS), a related party, for its maintenance, insurance, parking, and telephones. Expenses incurred for maintenance services provided by OGS amounted to \$97,950 and \$97,850 for the years ended March 31, 2014 and 2013, respectively. The balance owed to OGS was \$235,650 and \$287,700 at March 31, 2014 and 2013, respectively.

6. Pension Plan

The Egg participates in the New York State and Local Employees' Retirement System (System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute as well as benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed used in computing the employers' contributions.

The required contributions to the System for the current and two preceding years were:

2014	\$ 87,587
2013	73,259
2012	49,070

The Egg's contributions, made to the System, were equal to 100% of the contributions required for each year.

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**NOTES TO FINANCIAL STATEMENTS, continued**

March 31, 2014 and 2013

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7. Other Postemployment Benefits

The Egg reports its Other Postemployment Benefits in compliance with GASB Statement No. 45 – “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” Statement No. 45 requires governmental entities, including the Egg, to recognize in its financial statements the financial impact of postemployment benefits, principally employer funded health care and death benefits which the Egg provides for retired employees. Substantially all of the employees may become eligible for these benefits if they reach normal retirement age while working for the Egg.

Plan Description – Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP).

Funding Policy – Health insurance premiums for retired employees are equal to the premiums charged for active employees. The Egg pays a portion of the premium for medical coverage for the employee and spouse for the lifetimes of the employee and spouse based on the plan chosen by the employee.

Annual OPEB – The Egg’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of The Egg’s annual OPEB cost for 2014 and 2013, the amount actually contributed to the plan, and changes in The Egg’s net OPEB obligation:

	2014	2013
Annual required contribution	\$ 132,936	\$ 132,517
Interest on net OPEB obligation	6,176	5,059
Adjustment to annual required contribution	(10,294)	(8,431)
Annual OPEB cost	128,818	129,145
Age Adjusted Contribution made	(76,321)	(73,258)
Increase in net OPEB obligation	52,497	55,887
Net OPEB obligation - beginning of year	308,807	252,920
Net OPEB obligation - end of year	\$ 361,304	\$ 308,807

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March 31, 2014 and 2013

7. Other Postemployment Benefits, continued

The Egg's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and 2013 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>NET OPEB Obligation</u>
3/31/2014	\$ 52,497	\$	0%	\$ 361,304
3/31/2013	\$ 55,887	\$	0%	\$ 308,807
3/31/2012	\$ 40,015	\$	0%	\$ 252,920

Funded Status and Funding Progress: As of March 31, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,019,223 all of which was unfunded.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents information about the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Accrued Liability (b)</u>	<u>Unfunded Accrued Liability (UAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAL as a Percentage of Covered Payroll ((b-a)/c)</u>
3/31/2014	\$	\$ 1,019,223	\$ 1,019,223	0.00%	\$ 346,544	294.11%

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 31, 2014 actuarial valuation, the entry age actuarial cost method and the level percentage of payroll amortization method was used. The actuarial assumptions included a 2% baseline discount rate. The 2% baseline discount rate assumes the benefits are not prefunded, so the discount rate is based on the expected earnings of The Egg's general fund. The UAL and ARC were calculated using the alternative measurement method in accordance with GASB methodology. The UAL's amortization technique produces annual payments that are designed to increase over time as payroll grows. The Company has selected a 30 year open amortization period, which is permitted by GASB Statement 45.

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8. Significant Revenue Sources

Approximately 12% and 14% of The Egg's revenue was received from New York State during the years ended March 31, 2014 and 2013 respectively. No other unearned revenue source accounted for more than 12% of revenue during the years ended March 31, 2014 and 2013.

9. Subsequent Events

In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated events and transactions that have occurred between March 31, 2014 and June 27, 2014, which is the date the financial statements were available to be issued, for possible disclosures and recognition in the financial statements. There were no material subsequent events that required recognition or additional disclosures in these financial statements.