

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATEMENT PLAZA
PERFORMING ARTS CENTER CORPORATION
STATEMENT OF NET POSITION
March 31, 2016

ASSETS

Current assets:

Cash and cash equivalents	\$	747,907
Accounts receivable		49,765
Prepaid expenses		90,711
Total current assets		888,383

Property and equipment, net \$148,654 of accumulated depreciation		64,872
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Total assets		953,255
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DEFERRED OUTFLOWS OF RESOURCES

Differences between expected and actual experience and investment earnings - pension plan		9,467
Contributions to pension plan subsequent to measurement date		72,056
Total deferred outflows of resources		81,523

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses		172,118
Unearned revenue		302,712
Vendor tickets payable		226,935
Pension notes payable, current portion		6,492
Total current liabilities		708,257

Non-current liabilities:

Pension notes payable		132,864
Net pension obligation		46,027
Other post retirement benefits		588,449
Total non-current liabilities		767,340

Total liabilities		1,475,597
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DEFERRED INFLOWS OF RESOURCES

Changes in proportion and differences between contributions and proportionate share of contributions - pension plan		9,764
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NET POSITION

Net position:

Unrestricted		(515,455)
Invested in capital assets		64,872
Total net position	\$	(450,583)

See independent auditors' report and notes to financial statements

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATEMENT PLAZA
PERFORMING ARTS CENTER CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
Year ended March 31, 2016

Operating Revenues:	
Ticket sales	\$ 753,884
Rental and commission revenue	562,200
Concession revenue	24,571
Corporate and foundation grants	112,750
Individual contributions	75,492
State appropriations	220,000
Other operating revenue	1,747
Special event and fundraising, net of expenses of \$4,914	6,116
Total operating revenues	<u>1,756,760</u>
Operating Expenses:	
Salaries and wages	589,127
Employee benefits	132,431
Payroll taxes	57,864
Artist fees	495,680
Advertising	44,931
Professional fees	32,723
Production:	
Hospitality	32,545
Supplies and licenses	37,092
Equipment rental and maintenance	31,650
Credit card charges	55,660
Depreciation	21,447
Maintenance - NYS OGS	106,924
Insurance	23,499
Office supplies	8,549
Utilities	6,441
Publication	16,849
Travel and entertainment	774
Other	3,163
Total operating expenses	<u>1,697,349</u>
Operating income before other postemployment benefits	<u>59,411</u>
Other postemployment benefits	<u>129,266</u>
Operating loss	<u>(69,855)</u>
Non operating revenues (expenses):	
Interest earnings	133
Interest expense	<u>(11,307)</u>
Non operating expenses	<u>(11,174)</u>
Change in net position	<u>(81,029)</u>
Net position, beginning, as adjusted	<u>(369,554)</u>
Net position, ending	<u>\$ (450,583)</u>

See independent auditors' report and notes to financial statements

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATEMENT PLAZA
PERFORMING ARTS CENTER CORPORATION
STATEMENT OF CASH FLOWS
Year ended March 31, 2016

Cash flows from operating activities	
Received from customers	\$ 1,507,444
Received from grants and contributions	188,242
Received from State appropriations	220,000
Paid to suppliers and vendors for goods and services	(874,649)
Paid to employees for services, including benefits	(775,122)
Paid to New York State retirement system	<u>(72,056)</u>
Net cash provided by operating activities	<u>193,859</u>
Cash flows from investing activities	
Acquisition of capital assets	(60,373)
Interest received	133
Net cash used in investing activities	<u>(60,240)</u>
Cash flows from financing activities	
Payments on long-term debt	(6,049)
Interest paid on long-term debt	<u>(11,307)</u>
Net cash used for financing activities	<u>(17,356)</u>
Net increase in cash	116,263
Cash and cash equivalents, beginning of year	<u>631,644</u>
Cash and cash equivalents, end of year	<u><u>\$ 747,907</u></u>
Cash flows from operating activities:	
Operating loss	\$ (69,855)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	21,447
Pension expense	39,214
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	4,188
Prepaid expenses	(62,291)
Accounts payable and accrued expenses	77,070
Unearned revenue	154,738
Vendor ticket payable	(12,376)
Other postemployment benefits	113,780
Net pension obligation	<u>(72,056)</u>
Net cash provided by operating activities	<u><u>\$ 193,859</u></u>

See independent auditors' report and notes to financial statements

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

1. Nature of Organization:

Financial Reporting Entity:

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 theatre 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.

2. Summary of Significant Accounting Policies:

Basis of Accounting:

The financial statements of the Egg have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. In accordance with accounting principles generally accepted in the United States of America, the Egg applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. The Egg applies GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", which was issued by the GASB on December 30, 2010. The Egg has chosen to only apply GASB pronouncements. The Egg does not apply any FASB or AICPA pronouncements post November 30, 1989, as clarified by GASB No. 62. The government-wide financial statements include the Egg's only governmental fund (single enterprise fund).

Deferred outflows/inflows of resources:

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

Statement 63 changes how governments organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet).

See independent auditors' report

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (Continued):

Deferred outflows/inflows of resources (Continued):

As a result of Statement 63, financial statements will include deferred outflows of resources and deferred inflows of resources (“deferrals”), in addition to assets and liabilities, and reports net position instead of net assets.

Recent GASB developments:

Effective April 1, 2015, the Egg adopted the following new accounting standards:

GASB Statement No. 68, “Accounting and Financial Reporting For Pensions – An Amendment of GASB Statement No. 27.” The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statements No. 25, “Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans”, and No. 50, “Pension Disclosures”, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date.” The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, “Accounting and Financial Reporting for Pensions.” This statement amends paragraph 1378 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68.

As a result of adopting these accounting standards, the Egg now reports its proportionate share of the net pension liability, along with related deferred outflows of resources and pension expense, as determined by the New York State and Local Employees’ Retirement System. In accordance with GASB 68 and 71, the Egg retroactively applied these statements to the prior year and adjusted beginning net position. The adoption resulted in a decrease of net position of \$7,110.

Budgetary Data:

The budget policies are as follows:

In March of each year the proposed budget for the upcoming year is presented to the board of directors for approval.

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GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (Continued):

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Revenue Recognition:

Contributions are recognized when received or in the period of intended use as specified by the donor. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Revenues related to specific performances that are generated from ticket sales, rental of venues, and concession sales are recognized on the date the show is performed. Funds received in advance of the performance are recorded as unearned revenue until recognized.

Operating revenues include revenue generated from ongoing operating activities. Non-operating revenues include investing, financing, and other non-recurring activities.

Income Taxes:

A provision for income tax has not been provided for in these financial statements, as the Egg is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of 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.

Cash and Cash Equivalents:

The Egg considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Accounts Receivable:

Accounts receivable balances are carried at the original invoice amount less any estimated allowance for uncollectible accounts. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for uncollectible accounts was \$-0- at March 31, 2016. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recognized when received.

The Egg generally will not charge interest on past due receivables. A receivable is considered to be past due if the balance is outstanding for more than 90 days.

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GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (Continued):

Concentration of Credit and Market Risk:

Financial instruments that potentially expose the Egg to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at a Federal Deposit Insurance Corporation insured financial institution and credit exposure is limited to one institution. The Egg has not experienced any losses with respect to its cash balances. Based upon assessment of the financial condition of this institution, management believes that the risk of loss of any uninsured balance is minimal. The Egg's Bank maintains additional collateral to cover cash balances that exceed the FDIC limit.

Concentration of Revenue:

A portion of Egg's revenue is generated from sources outside of its day to day operations. During the year ended March 31, 2016, there was one revenue source that was individually responsible for producing more than 10% of revenue (NY State). The aggregate amount of revenue from this source totaled \$220,000.

Property and Equipment:

The cost of property and equipment is recorded at cost, except for contributed property and equipment, which is recorded at fair market value. The Egg capitalizes expenditures for acquisitions, renewals and betterments of capital assets with a cost greater than \$500, whereas maintenance and repair costs are expensed as incurred. When property and 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. The recorded value is depreciated over the useful lives of the related assets using the straight-line method. The estimated useful lives used for determining depreciation of property and equipment ranges from three to twenty-five years.

Prepaid Expenses:

Prepaid expenses are related to the prepayment of expenses for performances that will occur in the subsequent fiscal year and general operating expenses related to future periods. Included in the prepaid balance is \$85,475 that was paid ahead of future performances to secure the performing artists.

Vendor Tickets Payable:

Throughout the year, the Egg enters in to rental contracts that allow promoters the right to have their artist perform at the Egg for a specified fee plus expenses. The Egg will sell tickets through its box office and will pay the promoters the net proceeds collected after expenses. The balance of vendor tickets payable at March 31, 2016 represents ticket sales collected for shows to be performed under rental contracts in fiscal 2017.

Advertising:

Advertising costs are expensed when incurred. Advertising costs amounts to \$44,931 for the year ended March 31, 2016.

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GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
 PERFORMING ARTS CENTER CORPORATION
 (An Enterprise Fund of the State of New York)
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (Continued):

Subsequent events:

Subsequent events have been evaluated through June 27, 2016, which is the date the financial statement were available to be issued.

3. Cash and Cash Equivalents:

The following is a summary of cash and cash equivalents as included in the statement of net position at March 31, 2016:

<u>Bank</u>	<u>Book Balance</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>	<u>Amount in Excess</u>
Key Bank	\$ 746,957	\$ 804,417	\$ 250,000	\$ 554,417
Petty cash	950	-	-	-
Total	<u>\$ 747,907</u>	<u>\$ 804,417</u>	<u>\$ 250,000</u>	<u>\$ 554,417</u>

At March 31, 2016, cash deposits of the Egg exceeded FDIC insurance coverage by \$554,417. However, the excess amount at March 31, 2016 was collateralized at the Bank by governmental securities.

The Egg is the fiscal agent for the New York State Presenters Network. Included in the cash and cash equivalents balance above as of March 31, 2016 is \$115,448, which is held in a separate account and is designated for the New York State Presenters Network. The Egg has a corresponding payable included in accounts payable and accrued expenses at March 31, 2016.

4. Property and Equipment:

A summary of property and equipment is as follows as of and for the year ended March 31, 2016:

	<u>March 31, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>March 31, 2016</u>
Furniture and fixtures	\$ 9,588	\$ -	\$ -	\$ 9,588
Office equipment	7,441	-	-	7,441
Computer equipment	46,390	9,517	-	55,907
Theatre equipment	89,734	50,856	-	140,590
	<u>153,153</u>	<u>60,373</u>	<u>-</u>	<u>213,526</u>
Accumulated depreciation	127,207	21,447	-	148,654
Total property and equipment	<u>\$ 25,946</u>	<u>\$ 38,926</u>	<u>\$ -</u>	<u>\$ 64,872</u>

Depreciation expense was \$21,447 during the year ended March 31, 2016.

See independent auditors' report

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
 PERFORMING ARTS CENTER CORPORATION
 (An Enterprise Fund of the State of New York)
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Long-term Debt:

The Egg has experienced a deficiency in their pension plan (note 7) and was provided advanced funding in the form of notes. The first note was provided in 2006 for the amount of \$185,538 at an interest rate of 8%. The note has a term of 25 years with a maturity date of March 31, 2030 and the Egg makes annual principal and interest payments of \$16,093.

The second note was issued in 2013 for the amount of \$10,375 at an interest rate of 3.75%. The note has a term of 10 years with a maturity date of March 31, 2022 and the Egg makes annual principal and interest payments of \$1,263.

The following is a summary of activity for long-term debt for the year ended March 31, 2016:

Balance at March 31, 2015	Debt Issued	Principal Payments	Balance at March 31, 2016	Interest
\$ 145,405	\$ -	\$ 6,049	\$ 139,356	\$ 11,307

Maturities of long-term debt for the year ending March 31, 2016 are as follows:

	Principal	Interest
2017	\$ 6,492	\$ 10,864
2018	6,968	10,388
2019	7,481	9,875
2020	8,033	9,323
2021	8,628	8,728
Thereafter	<u>101,754</u>	<u>44,350</u>
	<u>\$ 139,356</u>	<u>\$ 93,528</u>

6. 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 \$106,924 for the year ended March 31, 2016. As of March 31, 2016, the Egg owed \$2,190 to OGS as part of this service agreement.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Pension Plan:

Plan Description:

The Egg participates in the New York State and Local Employees' Retirement System (the "System" or "ERS"). This is a cost-sharing multiple employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as a trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits Provided:

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Pension Plan (Continued):

Benefited Provided (Continued):

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of average final salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Pension Plan (Continued):

Benefited Provided (Continued):

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Pension Plan (Continued):

Contributions:

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2016	\$ 89,540
2015	71,781
2014	87,587

- Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:
 - For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employee' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
 - For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
 - For SFY 2007-08, the amount in excess of 10.5 percent of employees' covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008. The total unpaid liability at the end of the fiscal year was \$132,679 and is included in note 5 above.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
PERFORMING ARTS CENTER CORPORATION
(An Enterprise Fund of the State of New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Pension Plan (Continued):

Contributions (Continued):

- Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:
 - For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employee's covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
 - For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
 - For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The total unpaid liability at the end of the fiscal year was \$6,677 and is included in note 5 above.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At March 31, 2016, the Egg reported a liability of \$46,027 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2014. The Egg's proportion of the net pension liability was based on a projection of the Egg's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2016, the Egg's proportion was 0.0013624%.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
 PERFORMING ARTS CENTER CORPORATION
 (An Enterprise Fund of the State of New York)
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Pension Plan (Continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

For the year ended March 31, 2016, the Egg recognized pension expense of \$39,214. At March 31, 2016, the Egg reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,473	\$ -
Net difference between projected and actual earnings on pension plan investments	7,994	-
Changes in proportion and differences between the Egg's contributions and proportionate share of contributions	-	9,764
The Egg's contributions subsequent to the measurement date	72,056	-
Total	\$ 81,523	\$ 9,764

\$72,056 reported as deferred outflows of resources related to pensions resulting from the Egg's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending March 31,:

2017	\$ (74)
2018	(74)
2019	(74)
2020	(75)
	\$ (297)

See independent auditors' report