



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

Combined Financial Statements  
December 31, 2025 and 2024

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and National Museum of Dance**

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December 31, 2025 and 2024

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## Independent Auditor's Report

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

### Opinion

We have audited the 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, 2025 and 2024, the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saratoga Performing Arts Center, Inc. and the National Museum of Dance as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Saratoga Performing Arts Center, Inc.'s and the National Museum of Dance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**BST & Co. CPAs, LLP**

Latham, New York  
March 10, 2026



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

Combined Statements of Financial Position

ASSETS	December 31,	
	2025	2024
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 9,642,002	\$ 6,944,087
Accounts receivable, less allowance 2025 \$42,130; 2024: \$52,720	2,162,517	3,863,320
Grants receivable	357,122	171,408
Contributions receivable, net	1,894,534	-
Accrued interest receivable	47,277	41,118
Other current assets	141,788	155,692
Total current assets	14,245,240	11,175,625
<b>OTHER ASSETS</b>		
Contributions receivable, net	619,885	-
Investments	15,096,766	14,044,915
Right-of-use asset for operating leases, net	111,852	254,869
Leasehold improvements and equipment, net	11,542,621	10,128,052
Insurance premiums receivable	694,771	619,520
	<b>\$ 42,311,135</b>	<b>\$ 36,222,981</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,877,505	\$ 1,727,035
Accrued retirement contribution	212,166	197,450
Deferred revenues	4,568,589	5,327,068
Current installments of operating lease liabilities	43,177	142,839
Total current liabilities	7,701,437	7,394,392
<b>LONG-TERM LIABILITIES, less current installments</b>		
Operating lease liabilities	66,199	109,376
<b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Without donor restrictions		
Board-designated	4,335,261	3,829,546
Undesignated	12,545,445	13,402,619
	16,880,706	17,232,165
With donor restrictions	17,662,793	11,487,048
Total net assets	34,543,499	28,719,213
	<b>\$ 42,311,135</b>	<b>\$ 36,222,981</b>

See accompanying Notes to Combined Financial Statements.

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

Combined Statements of Activities

	<b>Year Ended December 31, 2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>OPERATING REVENUES AND GAINS</b>			
Ticket sales and admissions	\$ 4,623,967	\$ -	\$ 4,623,967
Membership revenues	3,979,195	-	3,979,195
Restricted gifts and grants	1,624,373	5,447,819	7,072,192
Fundraising event income	3,625	-	3,625
Third-party venue license fees	1,917,850	-	1,917,850
Other operating revenues	2,431,322	-	2,431,322
Net assets released from restriction	599,526	(599,526)	-
	15,179,858	4,848,293	20,028,151
<b>OPERATING EXPENSES</b>			
Performance and production	12,429,143	-	12,429,143
Fundraising, including event expense	1,453,648	-	1,453,648
Management and general	2,464,679	-	2,464,679
	16,347,470	-	16,347,470
<b>Change in net assets from operations</b>	<b>(1,167,612)</b>	<b>4,848,293</b>	<b>3,680,681</b>
<b>NON-OPERATING GAINS AND LOSSES</b>			
Investment income, net	18,782	271,095	289,877
Realized gains on sales of investments, net	363,153	884,311	1,247,464
Unrealized gains on investments, net	64,821	172,046	236,867
Other interest income and gains	369,397	-	369,397
	816,153	1,327,452	2,143,605
<b>OTHER CHANGE IN NET ASSETS</b>			
Net periodic income and pension-related loss	-	-	-
<b>Change in net assets</b>	<b>(351,459)</b>	<b>6,175,745</b>	<b>5,824,286</b>
<b>NET ASSETS, <i>beginning of year</i></b>	17,232,165	11,487,048	28,719,213
<b>NET ASSETS, <i>end of year</i></b>	<b>\$ 16,880,706</b>	<b>\$ 17,662,793</b>	<b>\$ 34,543,499</b>

See accompanying Notes to Combined Financial Statements.

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

Combined Statements of Activities

	<b>Year Ended December 31, 2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>OPERATING REVENUES AND GAINS</b>			
Ticket sales and admissions	\$ 4,769,599	\$ -	\$ 4,769,599
Membership revenues	4,262,261	-	4,262,261
Restricted gifts and grants	1,848,004	740,567	2,588,571
Fundraising event income	3,505	-	3,505
Third-party venue license fees	2,201,145	-	2,201,145
Other operating revenues	1,945,498	-	1,945,498
Net assets released from restriction	353,892	(353,892)	-
	15,383,904	386,675	15,770,579
<b>OPERATING EXPENSES</b>			
Performance and production	11,994,773	-	11,994,773
Fundraising, including event expense	1,327,629	-	1,327,629
Management and general	2,630,955	-	2,630,955
	15,953,357	-	15,953,357
<b>Change in net assets from operations</b>	<b>(569,453)</b>	<b>386,675</b>	<b>(182,778)</b>
<b>NON-OPERATING GAINS AND LOSSES</b>			
Investment income, net	19,971	242,552	262,523
Realized gains on sales of investments, net	97,862	238,300	336,162
Unrealized gains on investments, net	234,658	708,235	942,893
Other interest income and gains	380,099	-	380,099
	732,590	1,189,087	1,921,677
<b>OTHER CHANGE IN NET ASSETS</b>			
Net periodic income and pension-related loss	(21,826)	-	(21,826)
<b>Change in net assets</b>	<b>141,311</b>	<b>1,575,762</b>	<b>1,717,073</b>
<b>NET ASSETS, beginning of year</b>	17,090,854	9,911,286	27,002,140
<b>NET ASSETS, end of year</b>	<b>\$ 17,232,165</b>	<b>\$ 11,487,048</b>	<b>\$ 28,719,213</b>

See accompanying Notes to Combined Financial Statements.

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

Combined Statements of Functional Expenses

	Year Ended December 31, 2025			
	Performance and Production	Fundraising (Including Event Expense)	Management and General	Total
Salaries and wages	\$ 2,407,157	\$ 746,574	\$ 1,501,950	\$ 4,655,681
Payroll taxes	187,079	58,009	116,702	361,790
Employee benefits	285,574	149,342	258,978	693,894
Accounting and legal	-	-	180,251	180,251
Advertising and publicity	785,837	24,178	-	810,015
Credit losses	-	-	38,482	38,482
Custodial	15,492	-	-	15,492
Depreciation	800,381	-	-	800,381
Direct talent cost	5,765,226	-	-	5,765,226
Dues and subscriptions	-	-	10,985	10,985
Food and beverage	97,422	274,429	-	371,851
Theater lighting	75,757	-	-	75,757
Office technology and support	63,624	31,812	63,624	159,060
Insurance	316,140	21,788	42,015	379,943
Facilities and maintenance	391,845	-	-	391,845
Facility rental costs	38,609	-	-	38,609
Musical and sound rental	175,795	-	-	175,795
Office supplies	-	-	24,096	24,096
Other	-	21,587	130,519	152,106
Payroll and HR services	38,797	3,987	80,464	123,248
Postage and mailing	4,894	4,894	4,894	14,682
Production costs	327,841	68,060	-	395,901
Service charges	176,681	-	-	176,681
Strategic planning consulting	-	45,000	-	45,000
Telephone	3,988	3,988	3,988	11,964
Travel and entertainment	39,792	-	370	40,162
Security	275,089	-	-	275,089
Utilities	156,123	-	7,361	163,484
	<b>\$ 12,429,143</b>	<b>\$ 1,453,648</b>	<b>\$ 2,464,679</b>	<b>\$ 16,347,470</b>

See accompanying Notes to Combined Financial Statements.

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

Combined Statements of Functional Expenses

	Year Ended December 31, 2024			
	Performance and Production	Fundraising (Including Event Expense)	Management and General	Total
Salaries and wages	\$ 2,163,531	\$ 598,179	\$ 1,629,572	\$ 4,391,282
Payroll taxes	170,919	47,256	128,921	347,096
Employee benefits	221,011	125,370	229,434	575,815
Accounting and legal	-	-	87,955	87,955
Advertising and publicity	798,813	29,828	-	828,641
Credit losses	-	-	118,737	118,737
Custodial	15,817	-	-	15,817
Depreciation	703,172	-	-	703,172
Direct talent cost	6,235,187	-	-	6,235,187
Dues and subscriptions	-	-	5,749	5,749
Food and beverage	87,203	260,543	-	347,746
Theater lighting	76,160	-	-	76,160
Office technology and support	67,482	33,741	67,482	168,705
Insurance	189,264	20,522	39,573	249,359
Facilities and maintenance	366,319	-	-	366,319
Facility rental costs	39,483	-	-	39,483
Musical and sound rental	393,093	-	-	393,093
Office supplies	-	-	17,798	17,798
Other	-	17,965	146,725	164,690
Payroll and HR services	37,253	5,592	150,407	193,252
Postage and mailing	4,276	4,275	4,275	12,826
Production costs	125,000	66,495	-	191,495
Service charges	150,011	-	-	150,011
Strategic planning consulting	-	115,000	-	115,000
Telephone	2,862	2,863	2,863	8,588
Travel and entertainment	22,102	-	1,464	23,566
Security	-	-	-	-
Utilities	125,815	-	-	125,815
	<b>\$ 11,994,773</b>	<b>\$ 1,327,629</b>	<b>\$ 2,630,955</b>	<b>\$ 15,953,357</b>

See accompanying Notes to Combined Financial Statements.

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

Combined Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 5,824,286	\$ 1,717,073
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
New contributions receivable, net	(2,636,867)	-
Discount on contributions receivable	122,448	-
Depreciation	800,381	703,172
Reinvested dividends	(58,762)	(44,889)
Realized gains on sales of investments, net	(1,247,464)	(336,162)
Unrealized (gains on investments, net)	(236,867)	(942,893)
Provision for credit losses	38,482	118,737
Pension-related changes other than net periodic pension income	-	21,826
Adjustment to right-of-use asset for operating lease	143,017	140,886
Accretion of lease liability	4,023	6,153
(Increase) decrease in		
Accounts receivable	1,662,321	(2,774,954)
Grants receivable	(185,714)	(171,408)
Accrued interest receivable	(6,159)	20,713
Other current assets	13,904	(34,731)
Insurance premiums receivable	(75,251)	(119,999)
Assets for postretirement benefits and accrued retirement contribution	-	139,975
Increase (decrease) in		
Accounts payable and accrued expenses	1,150,470	(729,499)
Accrued retirement contribution	14,716	-
Deferred revenues	(758,479)	2,734,485
Operating lease liabilities for cash paid	(146,862)	(146,861)
	<u>4,421,623</u>	<u>301,624</u>
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
Purchases of leaseholds and equipment	(2,214,950)	(579,468)
Proceeds from sales of investments	6,258,875	2,310,599
Purchases of investments	(5,767,633)	(2,545,957)
	<u>(1,723,708)</u>	<u>(814,826)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,697,915</b>	<b>(513,202)</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<u>6,944,087</u>	<u>7,457,289</u>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<u><b>\$ 9,642,002</b></u>	<u><b>\$ 6,944,087</b></u>

See accompanying Notes to Combined Financial Statements.

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

Notes to Combined Financial Statements  
December 31, 2025 and 2024

## 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 Museum building is temporarily closed due to structural issues. 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*

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.

### *c. Estimates*

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent 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 Measurement*

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 (see Note 11).

### *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, and Grants Receivable*

Accounts and grants receivable are carried at the original invoice amount less an estimate made for uncollectable accounts based on a review of all outstanding amounts performed on a monthly basis. Accounts and grants receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. An account or grant receivable is considered to be past due if any portion of the receivable balance has been outstanding for more than 90 days. Interest is not charged on outstanding receivables.

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

Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

*g. Allowance for Credit Losses*

SPAC has early adopted ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. SPAC elected to apply the practical expedient permitted under the ASU for estimating expected credit losses on accounts receivable and contract assets. Under this practical expedient, SPAC assumes that current conditions as of the balance sheet date do not change over the remaining life of the asset. SPAC also elected the accounting policy option to consider post-balance sheet cash collections when evaluating the allowance. SPAC considered collections through February 2026 when performing this evaluation.

SPAC measures expected credit losses under the current expected credit loss (CECL) methodology applicable to financial assets measured at amortized cost, which include trade receivables and grants receivable. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis.

The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2025 and 2024, and change in the allowance for credit losses during the years then ended, was not material to the financial statements.

*h. Contributions Receivable, Net*

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates (3.59% at December 31, 2025) designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in gift and grants revenue in the statements of activities. An allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. There was no allowance for uncollectable promises to give at December 31, 2025.

*i. 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.

*j. Leasehold Improvements and Equipment, Net*

Leasehold improvements and equipment are recorded at cost. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When leasehold improvements and equipment are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is charged to the change in net assets. 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 (five to 50 years). Amortization of leasehold improvements, which is included with depreciation in these financial statements, is computed over the shorter of the life of the lease or the life of the asset.

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

Notes to Combined Financial Statements  
December 31, 2025 and 2024

## Note 1. Organization and Summary of Significant Accounting Policies (Continued)

### *j. Leasehold Improvements and Equipment, Net (Continued)*

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 its fair value. There was no impairment on long-lived assets at December 31, 2025 or 2024.

### *k. Leases*

SPAC determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. SPAC also considers whether its service arrangements include the right to control the use of an asset.

SPAC recognizes most leases on its combined statements of net position as a right-of-use (ROU) asset, representing the right to use an underlying asset, and a lease liability, representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the combined statements of activities.

SPAC does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, SPAC utilizes a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

### *l. Net Assets*

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

- Net assets without donor restrictions: Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. The Boards of Directors (Boards) have designated, from net assets without donor restrictions, net assets for a Board-designated endowment.
- Net assets with donor restrictions: Net assets with donor restrictions consist of net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

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

Notes to Combined Financial Statements  
December 31, 2025 and 2024

## Note 1. Organization and Summary of Significant Accounting Policies (Continued)

### *l. Net Assets (Continued)*

SPAC and the Museum report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

### *m. Contract Revenue*

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligation(s) in the contract
5. Recognize revenue when or as performance obligations are satisfied

SPAC and the Museum assess the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The transaction price is the amount of consideration to which SPAC and the Museum expect to be entitled in exchange for transferring goods and services to the customer. Revenue is recorded based on the transaction price, which is generally established in the contracts.

SPAC earns event-related contract revenues principally from the sale of tickets, gift certificates and lawn passes for events that it produces. SPAC's performance obligations with respect to event-related revenues are satisfied at the point in time when the related event occurs.

SPAC has an agreement with a third party that grants the exclusive right and license to book, co-promote, co-produce, and co-present all Touring and Professional (T&P) events at SPAC through September 2039. In consideration of a guaranteed fee, referred to as venue license fees on the combined statements of activities, 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 bears all of the financial risk associated with the promotion, production, and presentation of each T&P event. SPAC's performance obligations with respect to event-related revenues from the venue license fees from the third-party promoter are satisfied at the point in time when the related event occurs.

As a part of the agreement with the third-party promoter, SPAC receives variable consideration for bonuses for attendance, concessions and parking that are affected by various levels of attendance. The amount of variable consideration included in the transaction price is constrained and is included only to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The amount of attendance and, as such, the variable consideration are known after each event occurs.

Other operating revenue mainly includes restaurant revenue, box office fees and revenue from the rental of the amphitheater. Restaurant revenue is recognized when food, beverages and/or services are provided to the customer as that is the point in which the related performance obligation is satisfied. Box office fees are the handling fees that are charged upon the purchase of a ticket, which are recognized at a point in time. Revenue from the rental of the amphitheater is recognized as the event/rental occurs.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

*m. Contract Revenue (Continued)*

The timing of revenue recognition may not align with the right to invoice the customer. SPAC records accounts receivable when it has the unconditional right to issue an invoice and receive payment regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. The following details SPAC's accounts receivable and deferred revenue from contract revenue:

	December 31,		
	2025	2024	2023
Accounts receivable, net	\$ 2,184,647	\$ 1,715,307	\$ 953,215
Deferred revenue	320,409	296,541	568,171

*n. Contributions, Grants and Membership Dues*

SPAC and the Museum recognize contributions and grants when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional contributions, grants and promises to give (that is, those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met.

Membership revenue is recognized throughout the membership period, which was October 1 to December 31<sup>st</sup>. Effective January 1, 2026, the membership period is the calendar year. Membership revenue received in advance of the period in which it applies, or committed to in advance of the period in which it applies for multi-year membership arrangements, is recorded as deferred revenue.

*o. Donated Services*

Donated services, marketable securities, property and equipment, and other non-cash donations are recorded as contributions at their fair value at the date of donation. Such donations are recorded as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose.

*p. Functional Allocation of Expenses*

Expenses that are specific to a function are charged directly to that function. The Executive Director's salary is allocated between fundraising and management and general based on time and effort. Insurance costs are allocated based on time and effort.

*q. Advertising and Publicity*

Advertising and publicity costs are expensed as incurred.

*r. Tax Status*

SPAC and the Museum are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (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.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

*r. Tax Status (Continued)*

SPAC and the Museum each file 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, 2025 or 2024.

*s. Subsequent Events*

SPAC and the Museum have evaluated subsequent events for potential recognition or disclosure through March 10, 2026, the date the combined financial statements were available to be issued.

**Note 2. Liquidity and Availability**

	December 31,	
	2025	2024
Total assets	\$ 42,311,135	\$ 36,222,981
Less: assets not available for general expenditures		
Cash and cash equivalents, held in endowment	(819,785)	(497,428)
Accounts receivable to be collected after 2026	(870,000)	(1,344,500)
Contributions receivable to be collected after 2026	(619,885)	-
Other current assets	(141,788)	(155,692)
Investments, held in endowment	(15,096,766)	(14,044,915)
Right-of-use asset, operating	(111,852)	(254,869)
Leasehold improvements and equipment, net	(11,542,621)	(10,128,052)
Insurance premiums receivable	(694,771)	(619,520)
Financial assets available for general expenditures	\$ 12,413,667	\$ 9,178,005

SPAC and the Museum have \$12,413,667 of financial assets available within one year of the combined statement of financial position date as reflected in the table above. To help manage unanticipated liquidity needs, SPAC has an available line of credit in the amount of \$500,000 (see Note 5). Endowment funds include \$4,335,261 in unrestricted, Board-designated funds that are not subject to donor restrictions and could be made available by the Board, if necessary. The endowment includes \$8,785,875 in earnings on corpus that is subject to the spending policy and can be used to support classical programming. SPAC prepares annual operating budgets designed to balance revenues and expenditures at a breakeven level and carefully monitors liquidity needs through the regular review of those budgets.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 3. Contributions Receivable, Net**

Pledges receivable, net are expected to be received as follows:

Year ending December 30,		
2026	\$	1,894,534
2027		602,333
2028		90,000
2029		45,000
2030		5,000
		<u>2,636,867</u>
Less unamortized discount		<u>(122,448)</u>
		<u>\$ 2,514,419</u>

**Note 4. Leasehold Improvements and Equipment, Net**

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

	December 31,	
	<u>2025</u>	<u>2024</u>
Cost of constructing amphitheater	\$ 2,687,986	\$ 2,687,986
Amphitheater and facility improvements	10,966,290	10,924,971
National Museum of Dance, leasehold improvements	2,045,023	2,045,023
Dance studios	1,135,302	1,135,302
Equipment	5,084,421	4,658,555
	<u>21,919,022</u>	<u>21,451,837</u>
Less accumulated depreciation	11,901,030	11,332,615
	<u>10,017,992</u>	<u>10,119,222</u>
Construction in progress	1,524,629	8,830
	<u>\$ 11,542,621</u>	<u>\$ 10,128,052</u>

The construction in progress relates to renovations of the Spa Little Theater, which are expected to be completed in 2026.

**Note 5. 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 less 0.38% (6.37% and 7.12% at December 31, 2025 and 2024, respectively), which is due on demand. There were no amounts outstanding at December 31, 2025 or 2024. This line of credit is secured by investments.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 6. Employee Benefit Plan**

SPAC had a defined benefit pension plan covering employees who met certain eligibility requirements. Effective September 30, 2005, the plan was frozen. Employees did 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.

During the year ended December 31, 2024, the Board of Directors elected to terminate the plan. Participants in the plan were given options for payouts, including annuities or lump sums. The plan was terminated effective June 1, 2024, and the settlement of the plan occurred on September 25, 2024. The assets with the plan were in excess of the required settlement payment.

As of the date of settlement, the accumulated benefit obligation was \$828,751 and the fair value of the plan assets was \$958,751, producing a funded status of \$146,377.

Benefits paid during the year ended December 31, 2024 were \$905,916.

SPAC made no contributions to the plan for the year ended December 31, 2024.

The amounts recognized in the combined statement of activities for the year ended December 31, 2024 are as follows:

Interest cost	\$ (24,663)
Expected return on assets	39,036
Net gain	26,741
Impact of settlement	<u>(62,940)</u>
	<u><u>\$ (21,826)</u></u>

**Note 7. Defined Contribution Plan**

SPAC has a non-contributory defined contribution 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 approximately \$212,200 and \$197,450 were accrued as of December 31, 2025 and 2024, respectively. SPAC has a second defined contribution 403(b) plan covering substantially all full-time employees for which SPAC is not required to make contributions.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 8. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes:

	December 31,	
	2025	2024
Subject to expenditure for specific purpose		
For the Spa Little Theater renovations	\$ 5,921,507	\$ 611,500
For the School of the Arts	65,267	60,000
For classical performances	58,495	53,000
For Museum-related costs	-	22,567
For educational purposes	1,500	15,000
For Four Seasons Artistic Vision	21,050	-
For facilities	1,500	-
For Museum exhibits	12,184	12,184
	6,081,503	774,251
Endowment		
Subject to the spending policy and appropriations		
<i>Investment to be held in perpetuity, the income from which is expendable to support classical performances</i>	8,785,875	7,917,382
Not subject to appropriation for expenditures		
<i>Gifts to be held in perpetuity to support classical performances</i>	2,795,415	2,795,415
	11,581,290	10,712,797
Total net assets with donor restrictions	\$ 17,662,793	\$ 11,487,048

**Note 9. Endowment**

SPAC's endowment consists of various investments overseen by the Finance and Audit Committee of the Board. Its endowment includes both donor-restricted endowment funds and funds designated by the Board that function as endowments. Net assets associated with endowment funds, including funds designated by the Board 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, 2025 and 2024

**Note 9. Endowment (Continued)**

*a. Relevant Law*

The Board of SPAC has interpreted the New York State Not-For-Profit Corporation Law as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, SPAC retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give), net of discounts and the allowance for doubtful accounts donated to the endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Board in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). SPAC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effects of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

*b. Endowment Net Asset Composition by Type of Fund*

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 11,581,290	\$ 11,581,290
Board-designated endowment funds	4,335,261	-	4,335,261
Total funds	\$ 4,335,261	\$ 11,581,290	\$ 15,916,551
	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 10,712,797	\$ 10,712,797
Board-designated endowment funds	3,829,546	-	3,829,546
Total funds	\$ 3,829,546	\$ 10,712,797	\$ 14,542,343

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 9. Endowment (Continued)**

*c. Changes in Endowment Net Assets*

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,829,546	\$ 10,712,797	\$ 14,542,343
Investment income	100,931	271,095	372,026
Net gain, realized	363,153	884,311	1,247,464
Fees to managers	(23,190)	(58,959)	(82,149)
Net gain, unrealized	64,821	172,046	236,867
Total investment return	<u>505,715</u>	<u>1,268,493</u>	<u>1,774,208</u>
Contributions	-	-	-
Withdrawals	-	(400,000)	(400,000)
Endowment net assets, end of year	<u>\$ 4,335,261</u>	<u>\$ 11,581,290</u>	<u>\$ 15,916,551</u>
	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,420,609	\$ 9,580,158	\$ 13,000,767
Investment income	99,598	242,552	342,150
Net gain, realized	97,862	238,300	336,162
Fees to managers	(23,181)	(56,448)	(79,629)
Net gain, unrealized	234,658	708,235	942,893
Total investment return	<u>408,937</u>	<u>1,132,639</u>	<u>1,541,576</u>
Contributions	-	-	-
Endowment net assets, end of year	<u>\$ 3,829,546</u>	<u>\$ 10,712,797</u>	<u>\$ 14,542,343</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). SPAC has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of December 31, 2025 or 2024.

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

Notes to Combined Financial Statements  
December 31, 2025 and 2024

## **Note 9. Endowment (Continued)**

### *d. 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. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to obtain a real rate of return on plan assets so that endowment 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 Finance and Audit Committee.

### *e. 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.

### *f. 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 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. Related-Party Transactions**

During 1998, SPAC's Board entered into an employment agreement with the then-President of SPAC for a term of eight years. The agreement included provisions for 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 this policy and is to be repaid in full for those premiums from the proceeds of the policy. SPAC is entitled to receive the greater of the premiums paid or the cash surrender value of the policy. These payments are recorded on the combined statements of financial position as insurance premiums receivable.

## **Note 11. Commitments and Risks**

### *a. Concentration of Credit Risk*

SPAC and the Museum maintain cash balances in several financial institutions. 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.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 11. Commitments and Risks (Continued)**

*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 of New York in exchange for the exclusive use of the amphitheater during the months of June through September each year. The right-of-use license requires no exchange of consideration and expires on February 28, 2069.

*c. Operating Leases and Escrow Account*

SPAC is party to two agreements with the State of New York's Office of Parks, Recreation and Historic Preservation (OPRHP). The first agreement grants 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 2026. An extension is currently being negotiated. Under the terms of the Hall of Springs agreement, SPAC is required to remit to OPRHP the greater of \$135,000 or 45% of the revenue earned by SPAC under the agreement on an annual basis.

Pursuant to the Hall of Springs agreement, SPAC is required to deposit 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 \$297,954 and \$263,041 at December 31, 2025 and 2024, respectively, and is included in accounts payable and accrued expenses on the combined statements of financial position.

The second agreement grants SPAC a license to use a portion of the Washington Bathhouse campus for the purpose of housing its School of the Arts Program through 2028, with a five-year renewal option. Under the Washington Bathhouse agreement, SPAC is required to remit \$11,862 on an annual basis for the initial term and \$12,218 if renewed.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense, which is included in facilities and maintenance in the combined statements of functional expenses, are as follows:

	Years Ended December 31,	
	2025	2024
Operating lease cost	\$ 147,040	\$ 150,073
Variable lease cost	57,021	59,509
Short-term lease cost	15,855	15,422
	\$ 219,916	\$ 225,004

As of December 31, 2025 and 2024, the weighted-average remaining lease term was 5.09 and 3.60 years, respectively, and the weighted-average discount rate was 2.88% and 2.14%, respectively.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 11. Commitments and Risks (Continued)**

*c. Operating Leases and Escrow Account (Continued)*

Future undiscounted cash flows for the next five years and thereafter and a reconciliation to the operating lease liability recognized on the combined statement of financial position are as follows as of December 31, 2025:

Year ending December 31,		
2026	\$	45,612
2027		11,862
2028		12,218
2029		12,218
2030		12,218
Thereafter		24,436
Total lease payments		118,564
Less imputed interest		(9,188)
Total present value of operating lease liability		109,376
Current installments of operating lease liability		43,177
		66,199
Long-term portion of operating lease liability	\$	66,199

*d. Fair Value of Investments*

Investment securities held by SPAC are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term could materially affect the amounts reported in the combined statements of financial position and the combined statements of activities.

**Note 12. Fair Value of Financial Instruments**

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 (Level 1) and the lowest priority to unobservable inputs (Level 3).

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.

*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.

The 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.

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

Notes to Combined Financial Statements  
December 31, 2025 and 2024

## Note 12. Fair Value of Financial Instruments (Continued)

Following are descriptions of the valuation methodologies used for assets measured at fair value at December 31, 2025 and 2024:

- *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 daily 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.
- *Alternative investments:* Valued based upon the shares of the fund held by SPAC at year-end multiplied by the respective share value. As a practical expedient, the alternative investments do not have a readily determined fair value and are valued at the NAV provided by the fund manager. The NAV for each class of shares is determined by dividing the value of total assets attributable to the class minus liabilities attributable to the class by the total number of common shares outstanding of the class. The NAV is not a publicly quoted price in an active market and is computed in accordance with investment company measurement principles.
  - Private credit, equity and asset funds: The share value is calculated based on the fair value of the underlying investments, using quoted market prices, the market value of comparable companies, discounted cash flows, the realizable value of any collateral, and other estimates.
  - Real estate income trust: The asset value is based on the fair value of the underlying real estate, which is provided by third-party independent appraisers and reviewed by the fund's independent valuation advisor. Additionally, the fair value could be impacted by quoted market prices, the market value of comparable companies, discounted cash flows, the realizable value of any collateral, or other estimates.

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 12. Fair Value of Financial Instruments (Continued)**

A summary of assets measured at fair value on a recurring basis is as follows:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 3,773,974	\$ -	\$ -	\$ 3,773,974
Fixed-income securities	-	1,131,902	-	1,131,902
U.S. Treasury notes	1,053,770	-	-	1,053,770
Mutual funds	7,580,391	-	-	7,580,391
Total investments in the fair value hierarchy	<u>\$ 12,408,135</u>	<u>\$ 1,131,902</u>	<u>\$ -</u>	13,540,037
Investment measured at NAV (a)				
Alternative investments				
Private credit fund				390,903
Real estate income trust				381,935
Private equity fund				387,759
Private asset fund				396,132
				<u>\$ 15,096,766</u>
	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 5,093,441	\$ -	\$ -	\$ 5,093,441
Fixed-income securities	-	1,100,355	-	1,100,355
U.S. Treasury notes	1,016,988	-	-	1,016,988
Mutual funds	6,022,842	-	-	6,022,842
Total investments in the fair value hierarchy	<u>\$ 12,133,271</u>	<u>\$ 1,100,355</u>	<u>\$ -</u>	13,233,626
Investment measured at NAV (a)				
Alternative investments				
Private credit fund				344,594
Real estate income trust				245,241
Private equity fund				221,454
				<u>\$ 14,044,915</u>

**Saratoga Performing Arts Center, Inc.  
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Notes to Combined Financial Statements  
December 31, 2025 and 2024

**Note 12. Fair Value of Financial Instruments (Continued)**

(a) Certain investments that were measured at the NAV per share (or its equivalent) have not been included in the fair value hierarchy. The fair values presented in these tables are intended to permit the reconciliation of the fair value hierarchy of the line items presented on the combined statements of financial position.

The following table summarizes the liquidity factors of investments measured at fair value based on the NAV per share, including redemption frequency, availability, and notice period, at December 31, 2025:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Private credit fund	\$ 390,903	n/a	Quarterly	29 days
Real estate income trust	381,935	n/a	Monthly	1 day
Private equity fund	387,759	n/a	Quarterly	36 days
Private asset fund	<u>396,132</u>	n/a	Quarterly	27 days
	<u>\$ 1,556,729</u>			

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

ASSETS	December 31,	
	2025	2024
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 9,599,128	\$ 6,900,517
Accounts receivable, less allowance 2025 \$42,130; 2024: \$52,720	2,162,517	3,863,320
Grants receivable	357,122	171,408
Contributions receivable, net	1,894,534	-
Accrued interest receivable	47,277	41,118
Other current assets	135,205	149,109
Total current assets	14,195,783	11,125,472
<b>OTHER ASSETS</b>		
Contributions receivable, net	619,885	-
Investments	15,096,766	14,044,915
Right-of-use asset for operating leases, net	111,852	254,869
Leasehold improvements and equipment, net	11,504,552	10,089,983
Insurance premiums receivable	694,771	619,520
	<b>\$ 42,223,609</b>	<b>\$ 36,134,759</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,877,505	\$ 1,727,035
Accrued retirement contribution	212,166	197,450
Deferred revenues	4,554,289	5,312,768
Current installments of operating lease liabilities	43,177	142,839
Total current liabilities	7,687,137	7,380,092
<b>LONG-TERM LIABILITIES, less current installments</b>		
Operating lease liabilities	66,199	109,376
<b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Without donor restrictions		
Board-designated	4,335,261	3,829,546
Undesignated	12,484,403	13,340,881
	16,819,664	17,170,427
With donor restrictions	17,650,609	11,474,864
Total net assets	34,470,273	28,645,291
	<b>\$ 42,223,609</b>	<b>\$ 36,134,759</b>

See Independent Auditor's Report.

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

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

	Years Ended December 31,			
	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
<b>OPERATING REVENUES AND GAINS</b>				
Ticket sales and admissions	\$ 4,623,967	\$ -	\$ 4,623,967	\$ 4,769,599
Membership revenues	3,979,195	-	3,979,195	4,262,261
Restricted gifts and grants	1,624,373	5,447,819	7,072,192	2,588,571
Fundraising event income	3,625	-	3,625	3,505
Third-party venue license fees	1,917,850	-	1,917,850	2,201,145
Other operating revenues	2,431,322	-	2,431,322	1,945,498
Net assets released from restriction	599,526	(599,526)	-	-
	<u>15,179,858</u>	<u>4,848,293</u>	<u>20,028,151</u>	<u>15,770,579</u>
<b>OPERATING EXPENSES</b>				
Performance and production	12,429,143	-	12,429,143	11,986,067
Fundraising, including event expense	1,453,648	-	1,453,648	1,327,629
Management and general	2,463,973	-	2,463,973	2,630,190
	<u>16,346,764</u>	<u>-</u>	<u>16,346,764</u>	<u>15,943,886</u>
<b>Change in net assets from operations</b>	<b><u>(1,166,906)</u></b>	<b><u>4,848,293</u></b>	<b><u>3,681,387</u></b>	<b><u>(173,307)</u></b>
<b>NON-OPERATING GAINS AND LOSSES</b>				
Investment income, net	18,782	271,095	289,877	262,523
Realized gains on sales of investments, net	363,153	884,311	1,247,464	336,162
Unrealized gains on investments, net	64,821	172,046	236,867	942,893
Other interest income and gains	369,387	-	369,387	380,089
	<u>816,143</u>	<u>1,327,452</u>	<u>2,143,595</u>	<u>1,921,667</u>
<b>OTHER CHANGE IN NET ASSETS</b>				
Net periodic income and pension-related loss	-	-	-	(21,826)
<b>Change in net assets</b>	<b><u>(350,763)</u></b>	<b><u>6,175,745</u></b>	<b><u>5,824,982</u></b>	<b><u>1,726,534</u></b>
<b>NET ASSETS, beginning of year</b>	<u>17,170,427</u>	<u>11,474,864</u>	<u>28,645,291</u>	<u>26,918,757</u>
<b>NET ASSETS, end of year</b>	<b><u>\$ 16,819,664</u></b>	<b><u>\$ 17,650,609</u></b>	<b><u>\$ 34,470,273</u></b>	<b><u>\$ 28,645,291</u></b>

See Independent Auditor's Report.

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

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

	Years Ended December 31,			
	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
<b>OPERATING REVENUES</b>				
Ticket sales and admissions	\$ 4,623,967	\$ -	\$ 4,623,967	\$ 4,769,599
Membership revenues	3,979,195	-	3,979,195	4,262,261
Gifts and grants	1,624,373	5,447,819	7,072,192	2,588,571
Third-party venue license fees	1,917,850	-	1,917,850	2,201,145
Fundraising event income	3,625	-	3,625	3,505
Other operating revenues	2,431,322	-	2,431,322	1,945,498
Net assets released from restriction	599,526	(599,526)	-	-
	<u>15,179,858</u>	<u>4,848,293</u>	<u>20,028,151</u>	<u>15,770,579</u>
<b>OPERATING EXPENSES</b>				
Performance and production	11,628,762	-	11,628,762	11,291,601
Fundraising, including event expense	1,453,648	-	1,453,648	1,327,629
Management and general	2,463,973	-	2,463,973	2,630,190
	<u>15,546,383</u>	<u>-</u>	<u>15,546,383</u>	<u>15,249,420</u>
<b>Change in net assets from operations</b>	<b><u>(366,525)</u></b>	<b><u>4,848,293</u></b>	<b><u>4,481,768</u></b>	<b><u>521,159</u></b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Depreciation	(800,381)	-	(800,381)	(694,466)
Investment income	470,317	271,095	741,412	722,239
Realized gains on sales of investments, net	363,153	884,311	1,247,464	336,162
Investment management fees	(82,148)	-	(82,148)	(79,627)
Other pension-related losses	-	-	-	(21,826)
Unrealized gains on investments, net	64,821	172,046	236,867	942,893
	<u>15,762</u>	<u>1,327,452</u>	<u>1,343,214</u>	<u>1,205,375</u>
<b>Change in net assets</b>	<b><u>(350,763)</u></b>	<b><u>6,175,745</u></b>	<b><u>5,824,982</u></b>	<b><u>1,726,534</u></b>
<b>NET ASSETS, beginning of year</b>	<u>17,170,427</u>	<u>11,474,864</u>	<u>28,645,291</u>	<u>26,918,757</u>
<b>NET ASSETS, end of year</b>	<b><u>\$ 16,819,664</u></b>	<b><u>\$ 17,650,609</u></b>	<b><u>\$ 34,470,273</u></b>	<b><u>\$ 28,645,291</u></b>

See Independent Auditor's Report.

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

Supplementary Information  
Statements of Financial Position - National Museum of Dance

	December 31,	
	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 42,874	\$ 43,570
Other current assets	6,583	6,583
Total current assets	49,457	50,153
<b>LEASEHOLD IMPROVEMENTS AND EQUIPMENT, <i>net</i></b>	38,069	38,069
	<b>\$ 87,526</b>	<b>\$ 88,222</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Deferred revenues	\$ 14,300	\$ 14,300
<b>NET ASSETS</b>		
Without donor restrictions	61,042	61,738
With donor restrictions	12,184	12,184
Total net assets	73,226	73,922
	<b>\$ 87,526</b>	<b>\$ 88,222</b>

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

Supplementary Information  
Statements of Activities - National Museum of Dance

	Years Ended December 31,			
	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
<b>OPERATING EXPENSES</b>				
Performance and production	\$ -	\$ -	\$ -	\$ 8,706
Management and general	706	-	706	765
	<u>706</u>	<u>-</u>	<u>706</u>	<u>9,471</u>
<b>Change in net assets from operations</b>	<b>(706)</b>	<b>-</b>	<b>(706)</b>	<b>(9,471)</b>
<b>NON-OPERATING REVENUES</b>				
Interest income	10	-	10	10
	<u>10</u>	<u>-</u>	<u>10</u>	<u>10</u>
<b>Change in net assets</b>	<b>(696)</b>	<b>-</b>	<b>(696)</b>	<b>(9,461)</b>
<b>NET ASSETS, beginning of year</b>	<u>61,738</u>	<u>12,184</u>	<u>73,922</u>	<u>83,383</u>
<b>NET ASSETS, end of year</b>	<u><b>\$ 61,042</b></u>	<u><b>\$ 12,184</b></u>	<u><b>\$ 73,226</b></u>	<u><b>\$ 73,922</b></u>

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

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

	Years Ended December 31,	
	2025	2024
<b>OPERATING REVENUES</b>		
Interest income	\$ 10	\$ 10
<b>OPERATING EXPENSES</b>		
Management and general	706	765
<b>Operating loss</b>	<b>(696)</b>	<b>(755)</b>
<b>NON-OPERATING EXPENSES</b>		
Depreciation	-	(8,706)
<b>Net loss</b>	<b>\$ (696)</b>	<b>\$ (9,461)</b>