The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center)
and Subsidiaries

Consolidated Financial Statements
and
Consolidating Information

Years Ended May 31, 2016 and 2015

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS
AND
CONSOLIDATING INFORMATION
Years Ended May 31, 2016 and 2015

C O N T E N T S

RSM

RSM US LLP

Independent Auditor's Report

To the Board of Directors
The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries
Boston, Massachusetts

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Wang Center for the Performing Arts, Inc. (d/b/a Citi Performing Arts Center) and Subsidiaries (the "Center") which comprise the consolidated statements of financial position as of May 31, 2016 and 2015, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Center as of May 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Emphasis of Matter
As discussed in Note 3 to the consolidated financial statements, the beginning net assets and certain other accounts have been restated to correct an error related to the net assets classification of board designated endowment assets. Our opinion is not modified with respect to this matter.

RSM US LLP

Boston, Massachusetts
September 29, 2016

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Statements of Financial Position

May 31, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	**$ 3,866,617**	$ 2,887,111
Cash and cash equivalents held in escrow for advance ticket sales	**2,469,069**	1,760,398
Operating and facilities cash reserve funds	**1,191,006**	1,577,147
Accounts receivable for advance ticket sales	**117,454**	286,028
Prepaid expenses and other current assets	**978,582**	726,034
Contributions receivable, net	**1,772,496**	1,280,448
Investments, at fair value	**13,000,000**	13,512,248
Property and equipment, net	**14,400,512**	14,414,395
Other assets	**58,779**	197,776
Total assets	**$ 37,854,515**	$ 36,641,585
LIABILITIES AND NET ASSETS		
Accounts payable, accrued expenses and other liabilities	**$ 4,125,835**	$ 2,442,453
Unearned income	**1,431,102**	1,267,502
Deferred revenue for advance ticket sales	**2,586,523**	2,046,427
Note payable	**647,339**	857,378
Total liabilities	**8,790,799**	6,613,760
Net assets:		
Unrestricted:		
General operations	**13,502,470**	13,440,269
Wang Endowment Fund	**9,208,357**	10,043,614
Operating and facilities reserves	**1,191,006**	1,577,147
Total unrestricted net assets	**23,901,833**	25,061,030
Temporarily restricted	**5,161,883**	4,966,795
Total net assets	**29,063,716**	30,027,825
Total liabilities and net assets	**$ 37,854,515**	$ 36,641,585

See notes to consolidated financial statements.

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Statements of Activities

Years Ended May 31, 2016 and 2015

	2016	2015
Changes in unrestricted net assets:		
Operating revenues:		
Box office receipts	**$ 23,924,316**	$ 15,801,905
Theatre operations	**11,190,593**	9,479,410
Not-for-profit discounts	**(528,374)**	(524,007)
Total box office receipts and theatre operations, net of not-for-profit discounts	**34,586,535**	24,757,308
Sponsorships, net of commissions and fees of $368,636 and $358,248 for 2016 and 2015, respectively	**1,291,887**	1,291,408
Contributions and special events	**916,789**	1,133,704
Investment (loss) return	**(439,257)**	200,780
Interest income	**8,829**	7,836
Net assets released from restrictions	**1,736,042**	1,854,979
Total operating revenues	**38,100,825**	29,246,015
Operating expenses:		
Theatre operations including third party share of box office receipts	**35,147,670**	25,223,027
General and administrative	**2,514,659**	2,398,008
Fundraising costs	**870,218**	674,953
Education programming	**608,763**	434,077
Provision for uncollectible pledges	**121,259**	12,000
Total operating expenses	**39,262,569**	28,742,065
Increase (decrease) in unrestricted net assets from operations	**(1,161,744)**	503,950
Nonoperating:		
Change in carrying value of investment in productions, including write-offs	**21,306**	(6,161)
Loss on disposal of leasehold improvements	**-**	(11,578)
Interest expense	**(18,759)**	(21,516)
Increase (decrease) in unrestricted net assets from nonoperating activities	**2,547**	(39,255)
Increase (decrease) in unrestricted net assets	**(1,159,197)**	464,695
Changes in temporarily restricted net assets:		
Education contributions	**960,743**	929,367
ArtWeek contributions	**55,229**	357,954
Facilities contributions	**491,500**	360,000
Strategic planning contributions	**150,000**	-
Other contributions and pledges	**434,307**	195,930
Provision for uncollectible pledges	**(20,000)**	(54,500)
Investment (loss) return	**(140,649)**	69,763
Net assets released from restrictions	**(1,736,042)**	(1,854,979)
Increase in temporarily restricted net assets	**195,088**	3,535
Change in net assets	**(964,109)**	468,230
Net assets, beginning of year (as restated)	**30,027,825**	29,559,595
Net assets, end of year	**$ 29,063,716**	$ 30,027,825

See notes to consolidated financial statements.

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended May 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	$ (964,109)	$ 468,230
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,307,621	1,217,411
Loss on disposal of leasehold improvements	-	11,578
Net realized and unrealized loss on investments	1,184,596	386,485
Change in carrying value of investment in productions, including write-offs	(21,306)	6,161
Changes in:		
Cash and cash equivalents held in escrow for advance ticket sales	(708,671)	(1,484,397)
Operating and facilities cash reserve funds, withdrawals, deposits and interest	386,141	(150,219)
Accounts receivable for advance ticket sales	168,574	(182,869)
Prepaid expenses and other current assets	(252,548)	237,429
Contributions receivable, net	(492,048)	165,989
Other assets	160,303	(41,565)
Accounts payable, accrued expenses and other liabilities	1,683,382	224,518
Unearned income	163,600	(165,950)
Deferred revenue for advance ticket sales	540,096	1,667,267
Net cash provided by operating activities	3,155,631	2,360,068
Cash flows from investing activities:		
Purchases of property and equipment	(1,293,738)	(1,027,243)
Purchases of investments	(922,348)	(657,028)
Proceeds from sales of investments	250,000	617,121
Net cash used in investing activities	(1,966,086)	(1,067,150)
Cash flows from financing activities		
Proceeds from note payable	-	1,000,000
Repayments on note payable	(210,039)	(843,378)
Net cash (used in) provided by financing activities	(210,039)	156,622
Increase in cash and cash equivalents	979,506	1,449,540
Cash and cash equivalents, beginning of year	2,887,111	1,437,571
Cash and cash equivalents, end of year	$ 3,866,617	$ 2,887,111
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 18,759	$ 21,516

See notes to consolidated financial statements.

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries
Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

1. ORGANIZATION

The Wang Center for the Performing Arts, Inc. d/b/a Citi Performing Arts Center ("CPAC") is a not-for-profit organization located in Boston, Massachusetts. CPAC is the parent organization of Wang Theatre, Inc., Tremont Theatre, Inc., Wang Center Productions, Inc. d/b/a Citi Performing Arts Center Productions, and Wang Colonial Theatre, LLC (“Emerson Colonial Theatre”). CPAC and these four not-for-profit subsidiaries are collectively referred to hereafter as the “Center.” The Center’s accompanying consolidated financial statements are presented on the accrual basis of accounting and include the financial statements of CPAC and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Center operates the Wang and Shubert Theatres and presents performing arts and cultural attractions from around the world to the citizens of New England. The Center also operated the Emerson Colonial Theatre through October 2015. In addition, the Center strives to educate and inspire a greater appreciation for the performing arts as an essential component to the fabric of our society by providing community outreach, public programming and free educational programs which includes the Citi Spotlights Leadership Program and ArtWeek.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Classification and Reporting of Net Assets</u>

The Center’s consolidated financial statement presentation follows the recommendations of the *Financial Statements of Not-for-Profit Organizations* guidance of the Accounting Standards Codification (the “Codification”). Under this guidance, the Center is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the three net asset classes follows:

- Unrestricted net assets represent the portion of net assets of the Center that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Center as well as funds invested in property and equipment. As of May 31, 2016 and 2015, working capital and other reserves include $364,920 and $574,289 of operating reserve funds, respectively, and $826,086 and $1,002,858 of facilities cash reserve funds, respectively, as designated by the board of directors and held in cash accounts.

- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations. Temporarily restricted net assets could also include, pursuant to Massachusetts law, investment earnings on permanently restricted endowment funds which are subject to prudent appropriation for their intended purpose by the Finance Committee of the Board of Directors in accordance with terms of the endowment, the investment policies of the Center, and provisions of Massachusetts law. However, the Center does not currently have any permanently restricted endowment funds.

- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Center. The Center currently has no permanently restricted net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Classification and Reporting of Net Assets…continued

The Center follows the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* guidance of the Codification. This pronouncement provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). UPMIFA is a model act approved by the Uniform Law Commission that serves as a guideline for states to use in enacting legislation. This guidance also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

Revenues

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as releases to unrestricted net assets.

Theatre revenue is recognized as the related performances occur. Box office receipts represent the value of all tickets sold. Theatre operations revenues are comprised of theatre rental income and other fees, transaction commissions, function sales and fees for reimbursed theatre event expenses. Amounts collected in advance of performances or events are recorded as unearned income or deferred revenue for advance ticket sales.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. As of May 31, 2016 and 2015, contributions to be received after one year were discounted using rates ranging from 2.1% - 2.7%. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history and the type of contribution. The allowance for uncollectible contributions receivable as of May 31, 2016 and 2015 was $25,000.

Contributions received with donor-imposed restrictions are reported as temporarily restricted revenues and released to unrestricted net assets upon expiration of such restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Investments, Investment Income and Appreciation, and Spending Policy

The Finance Committee of the Board of Directors has interpreted Massachusetts General Law as requiring investment income and realized and unrealized gains of permanently restricted net assets to be retained in temporarily restricted net assets until appropriated by the Finance Committee and expended. Massachusetts General Law allows the Finance Committee to appropriate as much of investment earnings of permanently restricted net assets as is prudent considering the Center's short and long-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. In the absence of evidence to the contrary, Chapter 180A (the "Uniform Management of Institutional Funds") of the Commonwealth of Massachusetts General Law ("Chapter 180A") defines prudent spending.

The Finance Committee has adopted investment and spending policies that attempt to grow the fair value of assets net of inflation, normal spending rate, administrative and investment expenses over the long-term without undue exposure to risk in accordance with the Center's investment policies. The Center's endowment assets could include those assets of donor-restricted funds that the Center must hold in perpetuity, as well as board designated funds. The Center does not have donor-restricted funds that are required to be held in perpetuity.

To satisfy its long-term rate-of-return objectives, the Center 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). Absolute return investments, which can invest across a range of asset classes with greater flexibility (i.e., short selling, leverage, etc.) and have less liquidity than equity or fixed income securities, are used to provide long term growth at a level consistent with the overall investment objective for assets, with lower volatility, a lower correlation to traditional asset classes and diversification benefits. Fixed income securities are used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Other asset classes may be included to provide diversification and incremental return.

Each year, at the discretion of the Finance Committee and as determined in the annual operating budget, 3-5% of the average fair value of the endowed investment portfolio for each of the preceding twelve quarters, net of management fees, is appropriated for operations in accordance with the Center's investment policies and procedures. During the years ended May 31, 2016 and 2015, the Finance Committee appropriated for operations $396,000 and $497,000, respectively.

Operations

Operating revenues and expenses consist of those items attributable to the Center's theatre activities, unrestricted contributions, and the annual transfer of board designated funds designated for operations. Non-operating items, including interest expense, non-recurring write-offs and recoveries of investments in productions and disposals of fixed assets, are classified as nonoperating.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Naming Rights Agreement with CitiBank, N.A.

The Center is treating the naming rights agreement with CitiBank, N.A. as an executory contract, in which payments are provided to the Center in exchange for sponsorship activities. Quarterly payments are recognized under a straight-line policy over each year of the contract term. Operating revenues related to this agreement are presented net of commissions and fulfillment expenses. For the years ended May 31, 2016 and 2015, the Center recognized net sponsorship revenue from this agreement in the amount of $1,074,304 and $1,070,522, respectively. This naming rights agreement expires on October 31, 2016.

Cash Equivalents

Highly liquid short-term investments with an initial maturity of three months or less when purchased are recognized as cash equivalents and are recorded at cost, which approximates fair value. Cash equivalents held in the investment portfolio are included in investments at fair value.

Concentrations of Credit Risk

The Center maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by reviewing the age of the receivable and based on collection history. There was no allowance for doubtful accounts as of May 31, 2016 and 2015. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as revenue when received.

Equity Investments

Equity investments are initially recorded in the amount of the investment made by the Center, and subsequently increased for contributions made and equity in earnings, and decreased for distributions received and equity in losses. The balance as of May 31, 2016 and 2015 represents equity investments in unrelated production companies, and is presented as a component of other assets on the accompanying consolidated Statements of Financial Position. The Center's interest in the earnings and losses in these investments are recorded in the consolidated Statements of Activities as non-operating gains or losses.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value as of the date of the gift. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation and amortization is computed using the straight-line method over the estimated useful life of the asset. The cost and related accumulated depreciation and amortization of assets replaced, retired or disposed of are eliminated from property and equipment accounts, and any gains or losses are reflected as non-operating gains or losses.

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries
Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Fair Value Measurements

The Center follows the *Fair Value Measurements* guidance of the Codification. Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Center uses various methods including market, income and cost approaches. Based on these approaches, the Center often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Center is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 - Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3 - Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

The Center has various processes and controls in place to ensure that fair value is reasonably estimated. While the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended May 31, 2016 and 2015, there were no changes to the Center's valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

There were no transfers of assets between Level 1 and Level 2 of the fair value hierarchy during the years ended May 31, 2016 and 2015.

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries
Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments

Investments in debt and equity securities as well as exchange-traded products are recorded at fair value, based on published market prices, if available, and realized and unrealized gains and losses are reflected in the consolidated statement of activities. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Mutual Funds

Mutual funds are either valued at the published net asset values or quoted market prices for identical assets provided by the fund manager. Mutual fund investments valued at the published net asset value are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The multi-asset mutual fund NAV is a quoted price in an active market and classified within Level 2 of the valuation hierarchy.

Advertising

Advertising costs are incurred to promote performances and are included in Theatre operations including third party share of box office receipts on the Consolidated Statements of Activities. The Center incurred advertising costs in the amount of $3,021,310 and $1,463,065 for the years ended May 31, 2016 and 2015, respectively.

Use of Estimates

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

Tax Status

CPAC and its subsidiaries are not-for-profit organizations as described under Internal Revenue Code ("IRC Code") Section 501(c)(3) that are generally exempt from federal and state income taxes under IRC Code Section 501(a) and are also exempt from private foundation status under IRC Code Sections 509(a)(1) and 509(a)(3), respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Tax Status…continued

The Center has implemented the guidance for income taxes in accordance with ASC Topic 740 as it relates to *Accounting for Income Taxes*, which clarifies the treatment of the Center's position of accounting for income taxes recognized in the consolidated financial statements. The guidance also prescribes a recognition threshold and measurement standard for the consolidated financial statement recognition and measurement of an income tax position taken or expected to be taken in the tax return. In addition, it provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interest and penalties, if any, would be included in income tax expense. The Center has identified no uncertain tax positions as of May 31, 2016 or 2015.

With few exceptions, the Center is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for fiscal years before 2013.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Updated ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Center has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. ASU 2014-15 explicitly requires management to evaluate, at each annual or interim reporting period, whether there are conditions or events that exist which raise substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. ASU 2014-15 is effective for annual periods ending after December 31, 2017, and annual and interim periods thereafter, with early adoption permitted. The adoption of ASU 2014-15 is not expected to have a material effect on the Center's consolidated financial statements or disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2020, with early adoption permitted. The adoption of ASU 2016-02 is not expected to have a material impact on the Center's consolidated financial statements.

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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Recently Issued Accounting Pronouncements…continued

In August, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier adoption is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. The Center is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (A Consensus of the FASB Emerging Issues Task Force)*. To reduce diversity in practice, the ASU provides solutions for eight specific statement of cash flow classification issues. The ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Center is currently evaluating the effect that the updated standard will have on the financial statements.

3. RESTATEMENT OF NET ASSETS

During the year ended May 31, 2016, the Center obtained additional clarifying information and determined that certain net assets were improperly classified as permanently restricted net assets. As a result, the Center has restated the May 31, 2014 and 2015 unrestricted, temporarily and permanently restricted net asset balances. The restatement had no effect on the previously reported total net assets balance or the total change in net assets.

Net assets have been restated as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, as previously stated, May 31, 2014	$ 14,256,501	$ 9,291,916	$ 6,011,178	$ 29,559,595
Restatement	10,339,834	(4,328,656)	(6,011,178)	-
Net assets, as restated, May 31, 2014	$ 24,596,335	$ 4,963,260	$ -	$ 29,559,595
Net assets, as previously stated, May 31, 2015	$ 15,017,416	$ 8,999,231	$ 6,011,178	$ 30,027,825
Restatement	10,043,614	(4,032,436)	(6,011,178)	-
Net assets, as restated, May 31, 2015	$ 25,061,030	$ 4,966,795	$ -	$ 30,027,825

The Wang Center for the Performing Arts, Inc.
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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

3. RESTATEMENT OF NET ASSETS…continued

The consolidated statement of activities for the year ended May 31, 2015 has been restated as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment return, as previously stated for the year ended May 31, 2015	$ -	$ 270,543	$ -	$ 270,543
Restatement	200,780	(200,780)	-	-
Investment return, restated for the year ended May 31, 2015	$ 200,780	$ 69,763	$ -	$ 270,543
Appropriation for operations, as previously stated for the year ended May 31, 2015	$ 497,000	$ (497,000)	$ -	$ -
Restatement	(497,000)	497,000	-	-
Appropriation for operations, restated for the year ended May 31, 2015	$ -	$ -	$ -	$ -

4. INVESTMENTS

Investments consisted of the following as of May 31:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	$ 548,952	$ 548,952	$ 405,007	$ 405,007
Exchange-traded products	364,718	616,883	374,819	645,585
Mutual funds:				
Foreign large blend	636,451	562,812	469,916	624,816
Intermediate term bond	1,647,747	1,683,002	1,629,025	1,711,871
Multi-asset fund	3,454,547	3,208,233	3,363,774	3,391,486
World allocation	6,839,125	6,380,118	6,414,184	6,733,483
	$ 13,491,540	$ 13,000,000	$ 12,656,725	$ 13,512,248

The Wang Center for the Performing Arts, Inc.
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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

4. INVESTMENTS…continued

The following table summarizes the valuation of the Center's investments by the fair value hierarchy levels as of May 31, 2016:

	Fair Value Measurements at Reporting Date Using			
Description	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 548,952	$ -	$ -	$ 548,952
Exchange-traded products	616,883	-	-	616,883
Mutual funds:				
Foreign large blend	562,812	-	-	562,812
Intermediate term bond	1,683,002	-	-	1,683,002
Multi-asset fund	-	3,208,233	-	3,208,233
World allocation	6,380,118	-	-	6,380,118
	$ 9,791,767	$ 3,208,233	$ -	$ 13,000,000

The following table summarizes the valuation of the Center's investments by the fair value hierarchy levels as of May 31, 2015:

	Fair Value Measurements at Reporting Date Using			
Description	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 405,007	$ -	$ -	$ 405,007
Exchange-traded products	645,585	-	-	645,585
Mutual funds:				
Foreign large blend	624,816	-	-	624,816
Intermediate term bond	1,711,871	-	-	1,711,871
Multi-asset fund	-	3,391,486	-	3,391,486
World allocation	6,733,483	-	-	6,733,483
	$ 10,120,762	$ 3,391,486	$ -	$ 13,512,248

The Wang Center for the Performing Arts, Inc.
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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

4. INVESTMENTS…continued

For mutual funds categorized as Level 2 investments, the Center uses the Net Asset Value ("NAV") to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments in investment companies by major category.

	Strategy	Shares at NAV in Funds - 2016	Shares at NAV in Funds - 2015	Number of Funds	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
Multi-asset fund	(a)	$14.45	$15.83	1	0.05% exit fees paid to the fund	None	None

(a) The fund invests in a globally broad portfolio of equities, fixed income instruments, real estate investment trusts, commodities, and other securities.

Investment return (loss) consisted of the following for the years ended May 31:

	2016	2015
Interest and dividends	$ 646,867	$ 700,887
Net realized gains	162,467	45,367
Net unrealized losses	(1,347,063)	(431,852)
Management fees	(42,177)	(43,859)
Return (loss) on investments	$ (579,906)	$ 270,543

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of May 31:

	2016	2015
Amounts due within one year	$ 1,079,950	$ 1,047,433
Amounts due from one to five years	770,000	272,500
	1,849,950	1,319,933
Less - allowance for uncollectable contributions receivable	(25,000)	(25,000)
Less - present value discount	(52,454)	(14,485)
	$ 1,772,496	$ 1,280,448

The Wang Center for the Performing Arts, Inc.
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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of May 31:

	Estimated Useful Life	2016	2015
Leasehold improvements	5-40 years	$ 35,948,386	$ 35,670,560
Office furniture and equipment	5-10 years	546,932	536,264
Theatre and concession equipment	5-10 years	1,521,941	797,189
Computer software and equipment	3-10 years	1,495,368	1,446,831
Construction in progress		240,031	8,074
		39,752,658	38,458,918
Less - accumulated depreciation and amortization		(25,352,146)	(24,044,523)
		$ 14,400,512	$ 14,414,395

Depreciation and amortization charged to operations totaled $1,307,621 and $1,217,411 for the years ended May 31, 2016 and 2015, respectively. During the years ended May 31, 2016 and 2015, assets no longer in service of $0 and $245,506 were removed from the above balances, respectively. Construction in progress as of May 31, 2016 includes various theatre renovation projects expected to be completed during fiscal year 2017 with total expected costs to complete of $175,000.

7. LINE OF CREDIT

The Center has a revolving line of credit (the “Line”) with Citibank, N.A. that provides for maximum borrowings up to $4,000,000. The Line is collateralized by a first security interest in a portion of the Center’s investments. On January 30, 2014, the Line was extended until January 31, 2017 and the interest rate was changed from LIBOR plus 1.35% to LIBOR plus .85%. As of May 31, 2016 and 2015, the Center had no outstanding borrowings on the Line. Subsequent to year-end, the Line with Citibank, N.A. was terminated and a new revolving line of credit with First Republic Bank was opened, as further discussed in Note 13.

8. NOTE PAYABLE

On March 7, 2012, the Center entered into a note payable agreement with Citibank, N.A. The note was secured by the Center’s money market accounts and accrued simple interest at the rate of 1.75% per annum through March 2016. On August 5, 2014, the Center repaid the outstanding principal balance of the note payable with proceeds from a new note payable. The new note payable in the amount of $1,000,000 is secured by a portion of the Center’s investments and accrues simple interest at the rate of 2.45% per annum through July 2019. As of May 31, 2016 and 2015, outstanding principal on these notes totaled $647,339 and $857,378, respectively. Interest expense for the years ended May 31, 2016 and 2015 totaled $18,759 and $21,516, respectively. Subsequent to year-end, the note payable agreement with Citibank, N.A. was terminated and the Center entered into a new note payable agreement with First Republic Bank, as further discussed in Note 13.

9. BOARD DESIGNATED NET ASSETS

Wang Endowment Fund

The Wang Endowment Fund is an unrestricted board designated fund originally established to support the long-term objectives of the Center in honor of Dr. An and Lorraine Wang. The Center receives annual distributions from the fund as approved by the Board of Directors in accordance with an established spending policy, equal to 3-5% of the average market value of fund assets over the preceding 12 quarters.

As of May 31, 2016 and 2015, board designated Wang Endowment net assets were $9,208,357 and $10,043,614, respectively.

Operating and Facilities Reserves

Operating and facilities reserves consist of unrestricted board designated cash reserves to be used for certain operating and facility purposes as deemed appropriate by the Board of Directors.

As of May 31, 2016 and 2015, operating and facilities reserves were $1,191,006 and $1,577,147, respectively.

Changes in board designated net assets:

	Wang Endowment	Operating and Facilities Reserves
Board designated net assets as of May 31, 2014	$ 10,339,834	$ 1,426,928
Investment return:		
Investment income net of management fees	498,257	-
Net realized and unrealized gain on investment	(297,477)	-
Total gain on investment	200,780	-
Reserve funding	-	441,584
Interest	-	6,881
Appropriation for expenditures	(497,000)	(298,246)
Board designated net assets as of May 31, 2015	10,043,614	1,577,147
Investment return:		
Investment income less management fees	451,232	-
Net realized and unrealized loss on investment	(890,489)	-
Total loss on investment	(439,257)	-
Reserve funding	-	422,085
Interest	-	7,575
Appropriation for expenditures	(396,000)	(815,801)
Board designated net assets as of May 31, 2016	$ 9,208,357	$ 1,191,006

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of May 31:

	2016	2015
Time restrictions	$ 575,146	$ 414,439
Purpose restrictions	4,586,737	4,552,356
	$ 5,161,883	$ 4,966,795

The Walter Suskind Memorial Fund was established to support the activities and outreach programs of the Center's education department. Contributions received are classified as temporarily restricted to either education department programs or to the Suskind Fund based on donor-imposed restrictions. The Center's Investment Committee is authorized to expend the Suskind Fund's income and principal in support of the Center's education department programs.

Purpose restrictions include The Walter Suskind Memorial Fund (the "Suskind Fund") totaling $4,193,456 and $4,028,125 for the years ended May 31, 2016 and 2015, respectively; ArtWeek totaling $0 and $164,231 for the years ended May 31, 2016 and 2015, respectively; Facilities totaling $300,000 and $360,000 for the years ended May 31, 2016 and 2015, respectively; and Strategic Planning totaling $93,281 and $0 for the years ended May 31, 2016 and 2015, respectively.

Net assets released consisted of the following for the years ended May 31, 2016 and 2015:

	2016	2015
Education releases	$ 654,763	$ 434,077
ArtWeek releases	219,460	247,475
Strategic Planning releases	56,719	-
Facilities releases	551,500	-
Expiration of time restriction releases	253,600	1,173,427
	$ 1,736,042	$ 1,854,979

11. COMMITMENTS AND CONTINGENCIES

Commitments

The Center leases the Wang Theatre, the Shubert Theatre, the Shubert Theatre parking lot, and various office space and operated the Emerson Colonial Theatre under an operating agreement through October 2015. Total lease and operating agreement payments were $443,954 and $528,508 for the years ended May 31, 2016 and 2015, respectively.

11. COMMITMENTS AND CONTINGENCIES…continued

Commitments…continued

A description of the Center's Theatre leases and operating agreements is as follows:

Wang Theatre

The Wang Theatre lease was executed on June 1, 1983 and expires on June 30, 2019, with the right to extend the term of the lease for an additional 40 years. Under the lease, the annual basic rent for the Wang Theatre is the greater of (a) $50,000 with certain defined cost-of-living adjustments commencing in fiscal 1987, or (b) in respect to each day, during the next preceding lease year during which there was one or more performances: $200 per performance, if such performance was noncommercial and $275 per performance, if such performance was commercial, subject to specified adjustments, or (c) an amount equal to 6% of the first $1,000,000 of gross rental revenues, as defined by the lease agreement, during the next preceding lease year, and 7% of gross rental revenues in excess of $1,000,000 during the next preceding lease year. In addition, the terms of the lease require Wang Theatre, Inc. to pay real estate taxes levied and other expenses related to the premises.

Shubert Theatre

The Shubert Theatre lease was executed on June 19, 1996 and was scheduled to expire on August 31, 2016, with the right to extend the term of the lease for two consecutive ten-year periods. On December 19, 2014, the Center exercised the right to extend the lease term for the first ten-year period with a new expiration date of August 31, 2026. The annual base rent is $52,000 per year plus $200 per performance. Consumer Price Index adjustments have been computed for lease years five and forward. In addition, Tremont Theatre, Inc. is obligated to pay all personal property and real estate taxes levied, as well as all other expenses related to the premises (unless expressly excepted).

Emerson Colonial Theatre

The Emerson Colonial Theatre operating agreement was executed on August 8, 2012 and expired on October 11, 2015. Under the terms of the agreement, the annual operating fee was $150,000 payable in monthly installments of $12,500. On a quarterly basis, the Center was required to contribute $900 per performance to a reserve established for future facility repairs. The Center was also subject to a ticket fee above certain thresholds.

Total estimated commitments for operating leases for the Wang and Shubert Theatres, the Shubert parking lot and other equipment are as follows for the years ending May 31:

2017	$ 347,878
2018	257,548
2019	255,669
2020	96,477
2021	82,005
Thereafter	388,181
	$ 1,427,758

The Wang Center for the Performing Arts, Inc.
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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

11. COMMITMENTS AND CONTINGENCIES…continued

Contingencies

As of May 31, 2016, the Center has unionized employees whose union contracts have either expired or are due to expire in fiscal year 2017. The Center is in the process of finalizing negotiations on these union contracts.

As of May 31, 2016 and 2015, the Center had entered into certain presentation agreements with various production companies. These agreements are standard in the Center's industry, and, for each presentation agreement, there is the potential for either an increase or decrease in net assets based on the results of the presentation.

In the ordinary course of business, the Center may experience disputes with vendors and other parties and may, if necessary, accrue amounts which it estimates to be sufficient to cover claims that may arise from such disputes, based upon the Center's interpretation of the issues. Should the Center not prevail in any dispute under its interpretations, additional costs would be accrued.

12. RETIREMENT PLANS

The Center sponsors a retirement plan ("Citi Performing Arts Center Retirement Plan") under Section 401(k) of the IRC Code. The plan provides for a discretionary matching contribution and a discretionary lump-sum contribution. The Center contributed $70,268 and $78,717 in accordance with the 3% matching provision declared for the years ended May 31, 2016 and 2015, respectively. During the years ended May 31, 2016 and 2015, $1,555 and $27,675, respectively, of the 3% matching provision was funded by forfeitures within the plan. The Center did not make a lump-sum contribution for either of the years ended May 31, 2016 and 2015. Any discretionary lump-sum contributions would be distributed using a formula based upon salary levels. The plan contains a graduated vesting schedule with participants becoming 100% vested after five years of service.

The Center offers a 403(b) defined contribution pension plan covering certain eligible union employees. Participating employees are allowed to make supplementary voluntary contributions up to the IRS tax-deferred limit. The Center's contribution is equal to $10 per day for each day worked by an eligible employee. The Center contributed $13,400 and $11,950 for the years ended May 31, 2016 and 2015, respectively.

13. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 29, 2016, the date the consolidated financial statements were available to be issued.

On July 15, 2016, the Center repaid the outstanding balance of the current note payable with proceeds from a new note payable from First Republic Bank. The new note payable in the amount of $800,000 is secured by a portion of the Center's investments and accrues simple interest at the rate of 2% per annum through July 2021.

The Wang Center for the Performing Arts, Inc.
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Notes to Consolidated Financial Statements
Years Ended May 31, 2016 and 2015

13. SUBSEQUENT EVENTS…continued

Annual maturities of this new note payable for the ensuing years are summarized as follows:

2017	$ 127,845
2018	156,251
2019	159,404
2020	162,622
2021	165,904
Thereafter	27,974
	$ 800,000

On July 15, 2016, the Center obtained a new revolving line of credit (the "Line") with First Republic Bank that provides for maximum borrowings up to $4,000,000 until July 2017. The Line is collateralized by a first security interest in a portion of the Center's investments, and accrues interest at LIBOR plus .70% subject to a floor rate of 1.25%. The Center currently has no outstanding borrowings on the Line.

On August 18, 2016, the Center entered into a new note payable with First Republic Bank. The new note payable in the amount of $700,000 is secured by a portion of the Center's investments and accrues simple interest at the rate of 2% per annum through August 2021.

Annual maturities of this new note payable for the ensuing years are summarized as follows:

2017	$ 100,594
2018	136,492
2019	139,247
2020	142,057
2021	144,925
Thereafter	36,685
	$ 700,000

On September 14, 2016, the Center entered into a new multi-year naming rights agreement with Boston Port Service, Inc. In accordance with this agreement, quarterly payments will be provided to the Center commencing on November 1, 2016 in exchange for sponsorship activities including renaming the Center as the Boch Center.

CONSOLIDATING INFORMATION

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Financial Position
May 31, 2016

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Wang Colonial Theatre, LLC	Citi Performing Arts Center Productions	Total Operations	Eliminating Entries	Consolidated Totals
ASSETS								
Cash and cash equivalents	$ 621,905	$ 2,666,977	$ 412,617	$ 137,882	$ 27,236	$ 3,866,617	$ -	$ 3,866,617
Cash and cash equivalents held in escrow for advance ticket sales	-	1,901,262	567,807	-	-	2,469,069	-	2,469,069
Operating and facilities cash reserve funds	1,191,006	-	-	-	-	1,191,006	-	1,191,006
Accounts receivable for advance ticket sales	-	107,120	10,334	-	-	117,454	-	117,454
Prepaid expenses and other current assets	360,917	475,374	142,291	-	-	978,582	-	978,582
Contributions receivable, net	1,772,496	-	-	-	-	1,772,496	-	1,772,496
Investments, at fair value	13,000,000	-	-	-	-	13,000,000	-	13,000,000
Property and equipment, net	192,473	9,759,525	4,448,514	-	-	14,400,512	-	14,400,512
Due to / from related parties	2,932,102	(1,620,022)	(1,408,389)	114,789	(18,480)	-	-	-
Other assets	-	-	-	-	58,779	58,779	-	58,779
Total assets	$ 20,070,899	$ 13,290,236	$ 4,173,174	$ 252,671	$ 67,535	$ 37,854,515	$ -	$ 37,854,515
LIABILITIES AND NET ASSETS								
Accounts payable, accrued expenses and other liabilities	$ 822,400	$ 3,027,704	$ 262,445	$ 8,013	$ 5,273	$ 4,125,835	$ -	$ 4,125,835
Unearned income	657,683	560,235	213,184	-	-	1,431,102	-	1,431,102
Deferred revenue for advance ticket sales	-	2,008,382	578,141	-	-	2,586,523	-	2,586,523
Note payable	647,339	-	-	-	-	647,339	-	647,339
Total liabilities	2,127,422	5,596,321	1,053,770	8,013	5,273	8,790,799	-	8,790,799
Net assets:								
Unrestricted:								
General operations	2,382,231	7,693,915	3,119,404	244,658	62,262	13,502,470	-	13,502,470
Wang Endowment Fund	9,208,357	-	-	-	-	9,208,357	-	9,208,357
Operating and facilities reserves	1,191,006	-	-	-	-	1,191,006	-	1,191,006
Total unrestricted net assets	12,781,594	7,693,915	3,119,404	244,658	62,262	23,901,833	-	23,901,833
Temporarily restricted	5,161,883	-	-	-	-	5,161,883	-	5,161,883
Total net assets	17,943,477	7,693,915	3,119,404	244,658	62,262	29,063,716	-	29,063,716
Total liabilities and net assets	$ 20,070,899	$ 13,290,236	$ 4,173,174	$ 252,671	$ 67,535	$ 37,854,515	$ -	$ 37,854,515

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Activities
Year Ended May 31, 2016

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Wang Colonial Theatre, LLC.	Citi Performing Arts Center Productions	Total Operations	Eliminating Entries	Consolidated Totals
Changes in unrestricted net assets:								
Operating revenues:								
Box office receipts	$ -	$ 13,982,097	$ 3,870,683	$ 6,071,536	$ -	$ 23,924,316	$ -	$ 23,924,316
Theatre operations	1,936,203	5,077,838	3,479,844	2,375,135	-	12,869,020	(1,678,427)	11,190,593
Not-for-profit discounts	-	-	(528,374)	-	-	(528,374)	-	(528,374)
Total box office receipts and theatre operations, net of not-for-profit discounts	1,936,203	19,059,935	6,822,153	8,446,671	-	36,264,962	(1,678,427)	34,586,535
Sponsorships, net	1,264,250	3	22,778	4,856	-	1,291,887	-	1,291,887
Contributions and special events	916,789	-	-	-	-	916,789	-	916,789
Investment loss	(439,257)	-	-	-	-	(439,257)	-	(439,257)
Interest income	8,047	16	766	-	-	8,829	-	8,829
Net assets released from restrictions	1,736,042	-	-	-	-	1,736,042	-	1,736,042
Total operating revenues	5,422,074	19,059,954	6,845,697	8,451,527	-	39,779,252	(1,678,427)	38,100,825
Operating expenses:								
Theatre operations including third party share of box office receipts	433,384	19,971,661	7,108,656	8,031,013	3,590	35,548,304	(400,634)	35,147,670
General and administrative	2,247,753	875,678	543,625	102,419	22,977	3,792,452	(1,277,793)	2,514,659
Fundraising costs	870,218	-	-	-	-	870,218	-	870,218
Education programming	608,763	-	-	-	-	608,763	-	608,763
Provision for uncollectible pledges	121,259	-	-	-	-	121,259	-	121,259
Total operating expenses	4,281,377	20,847,339	7,652,281	8,133,432	26,567	40,940,996	(1,678,427)	39,262,569
Increase (decrease) in unrestricted net assets from operations	1,140,697	(1,787,385)	(806,584)	318,095	(26,567)	(1,161,744)	-	(1,161,744)
Nonoperating:								
Change in carrying value of investment in productions, including write-offs	-	-	-	-	21,306	21,306	-	21,306
Interest expense	(18,759)	-	-	-	-	(18,759)	-	(18,759)
Increase (decrease) in unrestricted net assets from nonoperating activities	(18,759)	-	-	-	21,306	2,547	-	2,547
Increase (decrease) in unrestricted net assets	1,121,938	(1,787,385)	(806,584)	318,095	(5,261)	(1,159,197)	-	(1,159,197)
Changes in temporarily restricted assets:								
Education contributions	960,743	-	-	-	-	960,743	-	960,743
ArtWeek contributions	55,229	-	-	-	-	55,229	-	55,229
Facilities contributions	491,500	-	-	-	-	491,500	-	491,500
Strategic planning contributions	150,000	-	-	-	-	150,000	-	150,000
Other contributions and pledges	434,307	-	-	-	-	434,307	-	434,307
Provision for uncollectible pledges	(20,000)	-	-	-	-	(20,000)	-	(20,000)
Investment loss	(140,649)	-	-	-	-	(140,649)	-	(140,649)
Net assets released from restrictions	(1,736,042)	-	-	-	-	(1,736,042)	-	(1,736,042)
Increase in temporarily restricted net assets	195,088	-	-	-	-	195,088	-	195,088
Change in net assets	1,317,026	(1,787,385)	(806,584)	318,095	(5,261)	(964,109)	-	(964,109)
Net assets (deficit), beginning of year	16,626,451	9,481,300	3,925,988	(73,437)	67,523	30,027,825	-	30,027,825
Net assets, end of year	$ 17,943,477	$ 7,693,915	$ 3,119,404	$ 244,658	$ 62,262	$ 29,063,716	$ -	$ 29,063,716

The Wang Center for the Performing Arts, Inc.
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Consolidating Schedule of Financial Position
May 31, 2015

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Wang Colonial Theatre, LLC	Citi Performing Arts Center Productions	Total Operations	Eliminating Entries	Consolidated Totals
ASSETS								
Cash and cash equivalents	$ 1,056,859	$ 1,025,495	$ 153,565	$ 629,383	$ 21,809	$ 2,887,111	$ -	$ 2,887,111
Cash and cash equivalents held in escrow for advance ticket sales	-	1,268,795	360,413	131,190	-	1,760,398	-	1,760,398
Operating and facilities cash reserve funds	1,577,147	-	-	-	-	1,577,147	-	1,577,147
Accounts receivable for advance ticket sales	-	286,028	-	-	-	286,028	-	286,028
Prepaid expenses and other current assets	79,515	364,332	279,254	2,933	-	726,034	-	726,034
Contributions receivable, net	1,280,448	-	-	-	-	1,280,448	-	1,280,448
Investments, at fair value	13,512,248	-	-	-	-	13,512,248	-	13,512,248
Property and equipment, net	226,565	10,416,431	3,764,018	7,381	-	14,414,395	-	14,414,395
Due to / from related parties	1,318,760	(806,852)	(61,763)	(415,080)	(35,065)	-	-	-
Other assets	-	-	-	111,997	85,779	197,776	-	197,776
Total assets	$ 19,051,542	$ 12,554,229	$ 4,495,487	$ 467,804	$ 72,523	$ 36,641,585	$ -	$ 36,641,585
LIABILITIES AND NET ASSETS								
Accounts payable, accrued expenses and other liabilities	$ 763,030	$ 1,136,276	$ 133,772	$ 404,375	$ 5,000	$ 2,442,453	$ -	$ 2,442,453
Unearned income	804,683	381,829	75,314	5,676	-	1,267,502	-	1,267,502
Deferred revenue for advance ticket sales	-	1,554,824	360,413	131,190	-	2,046,427	-	2,046,427
Note payable	857,378	-	-	-	-	857,378	-	857,378
Total liabilities	2,425,091	3,072,929	569,499	541,241	5,000	6,613,760	-	6,613,760
Net assets:								
Unrestricted:								
General operations	38,895	9,481,300	3,925,988	(73,437)	67,523	13,440,269	-	13,440,269
Wang Endowment Fund	10,043,614	-	-	-	-	10,043,614	-	10,043,614
Operating and facilities reserves	1,577,147	-	-	-	-	1,577,147	-	1,577,147
Total unrestricted net assets	11,659,656	9,481,300	3,925,988	(73,437)	67,523	25,061,030	-	25,061,030
Temporarily restricted	4,966,795	-	-	-	-	4,966,795	-	4,966,795
Total net assets (deficit)	16,626,451	9,481,300	3,925,988	(73,437)	67,523	30,027,825	-	30,027,825
Total liabilities and net assets (deficit)	$ 19,051,542	$ 12,554,229	$ 4,495,487	$ 467,804	$ 72,523	$ 36,641,585	$ -	$ 36,641,585

The Wang Center for the Performing Arts, Inc.
(d/b/a Citi Performing Arts Center) and Subsidiaries

Consolidating Schedule of Activities
Year Ended May 31, 2015

	Citi Performing Arts Center	Wang Theatre, Inc.	Tremont Theatre, Inc.	Wang Colonial Theatre, LLC	Citi Performing Arts Center Productions	Total Operations	Eliminating Entries	Consolidated Totals
Changes in unrestricted net assets:								
Operating revenues:								
Box office receipts	$ -	$ 10,637,661	$ 1,933,657	$ 3,230,587	$ -	$ 15,801,905	$ -	$ 15,801,905
Theatre operations	1,788,198	4,965,173	2,651,274	1,614,552	-	11,019,197	(1,539,787)	9,479,410
Not-for-profit discounts	-	-	(524,007)	-	-	(524,007)	-	(524,007)
Total box office receipts and theatre operations, net of not-for-profit discounts	1,788,198	15,602,834	4,060,924	4,845,139	-	26,297,095	(1,539,787)	24,757,308
Sponsorships, net	1,263,602	(3)	14,152	13,657	-	1,291,408	-	1,291,408
Contributions and special events	1,133,704	-	-	-	-	1,133,704	-	1,133,704
Investment return	200,780	-	-	-	-	200,780	-	200,780
Interest income	7,137	19	680	-	-	7,836	-	7,836
Net assets released from restrictions	1,854,979	-	-	-	-	1,854,979	-	1,854,979
Total operating revenues	6,248,400	15,602,850	4,075,756	4,858,796	-	30,785,802	(1,539,787)	29,246,015
Operating expenses:								
Theatre operations including third party share of box office receipts	382,487	16,457,807	3,887,580	4,790,039	3,083	25,520,996	(297,969)	25,223,027
General and administrative	2,207,564	974,742	236,565	198,858	22,097	3,639,826	(1,241,818)	2,398,008
Fundraising costs	674,953	-	-	-	-	674,953	-	674,953
Education programming	434,077	-	-	-	-	434,077	-	434,077
Provision for uncollectible pledges	12,000	-	-	-	-	12,000	-	12,000
Total operating expenses	3,711,081	17,432,549	4,124,145	4,988,897	25,180	30,281,852	(1,539,787)	28,742,065
Increase (decrease) in unrestricted net assets from operations	2,537,319	(1,829,699)	(48,389)	(130,101)	(25,180)	503,950	-	503,950
Nonoperating:								
Change in carrying value of investment in productions, including write-offs	-	-	-	-	(6,161)	(6,161)	-	(6,161)
Loss on disposal of leasehold improvements	-	(11,578)	-	-	-	(11,578)	-	(11,578)
Write-off of balances related to dissolved entity	(17,601,979)	4,704,633	6,103,109	119,798	6,674,439	-	-	-
Interest expense	(21,516)	-	-	-	-	(21,516)	-	(21,516)
Increase (decrease) in unrestricted net assets from nonoperating activities	(17,623,495)	4,693,055	6,103,109	119,798	6,668,278	(39,255)	-	(39,255)
Increase (decrease) in unrestricted net assets	(15,086,176)	2,863,356	6,054,720	(10,303)	6,643,098	464,695	-	464,695
Changes in temporarily restricted assets:								
Education contributions	929,367	-	-	-	-	929,367	-	929,367
ArtWeek contributions	357,954	-	-	-	-	357,954	-	357,954
Facilities contributions	360,000	-	-	-	-	360,000		360,000
Other contributions and pledges	195,930	-	-	-	-	195,930	-	195,930
Provision for uncollectible pledges	(54,500)	-	-	-	-	(54,500)	-	(54,500)
Investment return	69,763	-	-	-	-	69,763	-	69,763
Net assets released from restrictions	(1,854,979)	-	-	-	-	(1,854,979)	-	(1,854,979)
Increase in temporarily restricted net assets	3,535	-	-	-	-	3,535	-	3,535
Change in net assets	(15,082,641)	2,863,356	6,054,720	(10,303)	6,643,098	468,230	-	468,230
Net assets (deficit), beginning of year	31,709,092	6,617,944	(2,128,732)	(63,134)	(6,575,575)	29,559,595	-	29,559,595
Net assets (deficit), end of year	$ 16,626,451	$ 9,481,300	$ 3,925,988	$ (73,437)	$ 67,523	$ 30,027,825	$ -	$ 30,027,825