Caramoor Center for Music And the Arts, Inc.

Financial Statements

December 31, 2015

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees
Caramoor Center for Music and the Arts, Inc.

We have audited the accompanying financial statements of Caramoor Center for Music and the Arts, Inc. ("Caramoor"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Opinion

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

Report on Summarized Comparative Information

We have previously audited the Caramoor Center for Music and the Arts, Inc.'s December 31, 2014 financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated October 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

Newburgh, New York
October 31, 2016

Caramoor Center for Music and the Arts, Inc.

Statement of Financial Position

December 31, 2015
(with comparative amounts at December 31, 2014)

	2015	2014
ASSETS		
Cash and cash equivalents	$ 417,808	$ 396,599
Contributions receivable, net	968,450	764,877
Accounts receivable	-	600
Inventory	9,691	6,485
Prepaid expenses	30,719	24,758
Investments	15,524,111	14,499,519
Property and equipment, net	3,513,850	3,071,243
Arts collection	681,370	681,370
	$ 21,145,999	$ 19,445,451
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 115,316	$ 95,663
Deferred revenue	64,496	50,889
Total Liabilities	179,812	146,552
Net Assets		
Unrestricted	4,459,211	4,554,557
Temporarily restricted	4,095,072	4,196,939
Permanently restricted	12,411,904	10,547,403
Total Net Assets	20,966,187	19,298,899
	$ 21,145,999	$ 19,445,451

See notes to financial statements

Caramoor Center for Music and the Arts, Inc.

Statement of Activities

Year Ended December 31, 2015
(with summarized totals for the year ended December 31, 2014)

	2015				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2014 Total
OPERATING REVENUE					
Contributions	$ 3,430,168	$ -	$ -	$ 3,430,168	$ 3,946,065
Benefit proceeds	1,389,754			1,389,754	1,022,106
Ticket sales	1,127,215	-	-	1,127,215	1,095,633
Distribution for operations from invested funds	451,310	-	-	451,310	365,316
Advertising	13,700	-	-	13,700	113,351
Donated services and items	40,495			40,495	130,189
Shop sales	17,986	-	-	17,986	16,104
Rental	144,586	-	-	144,586	114,439
Interest from cash equivalents	8,216	-	-	8,216	1,547
Net assets released from restrictions by purpose satisfaction	135,487	(135,487)	-	-	-
Total Operating Revenue	6,758,917	(135,487)	-	6,623,430	6,804,750
OPERATING EXPENSES					
Program expenses					
Musical Performances	3,422,728	-	-	3,422,728	3,684,912
Education	773,203	-	-	773,203	703,247
Rosen House, Gardens and Estate	831,563	-	-	831,563	766,650
Total Program Expenses	5,027,494	-	-	5,027,494	5,154,809
Supporting expenses					
Management and general	591,791	-	-	591,791	641,292
Fundraising	867,562	-	-	867,562	815,408
Benefit	577,467	-	-	577,467	664,118
Total Supporting Expenses	2,036,820	-	-	2,036,820	2,120,818
Total Operating Expenses	7,064,314	-	-	7,064,314	7,275,627
Change in Net Assets from Operations Before Depreciation	(305,397)	(135,487)	-	(440,884)	(470,877)
Depreciation	(288,152)	-	-	(288,152)	(241,012)
Change in Net Assets from Operations	(593,549)	(135,487)	-	(729,036)	(711,889)
OTHER CHANGES IN NET ASSETS					
Total return on investments net of distribution for operations from invested funds	(155,979)	(453,417)	-	(609,396)	(179,903)
Non-operating contributions	-	1,298,074	1,707,646	3,005,720	2,614,155
Net assets released from restrictions					
Restrictions satisfied	654,182	(654,182)	-	-	-
Donor re-designation	-	(156,855)	156,855	-	-
Change in Net Assets	(95,346)	(101,867)	1,864,501	1,667,288	1,722,363
NET ASSETS					
Beginning of year	4,554,557	4,196,939	10,547,403	19,298,899	17,576,536
End of year	$ 4,459,211	$ 4,095,072	$ 12,411,904	$ 20,966,187	$ 19,298,899

See notes to financial statements

Caramoor Center for Music and the Arts, Inc.

Statement of Functional Expenses

Year Ended December 31, 2015
(with summarized totals for the year ended December 31, 2014)

	Program Services				Supporting Services					
	Musical Performances	Education	Rosen House, Gardens and Estate	Total	Management and General	Fund-raising	Benefit	Total	2015 Total	2014 Total
Salaries	$ 668,347	$ 256,330	$ 335,388	$ 1,260,065	$ 336,121	$ 488,172	$ 112,416	$ 936,709	$ 2,196,774	$ 2,081,766
Employee benefits	75,823	29,716	54,986	160,525	49,105	47,536	12,083	108,724	269,249	276,476
Payroll taxes	59,412	20,284	25,400	105,096	22,615	32,984	9,105	64,704	169,800	166,573
Payroll processing	-	-	-	-	7,150	-	-	7,150	7,150	5,875
Accounting and legal	-	-	25,579	25,579	38,575	-	-	38,575	64,154	37,575
Advertising	265,749	15,504	8,953	290,206	2,552	11,759	12,705	27,016	317,222	312,476
Bank and credit card charges	23,322	1,268	1,238	25,828	876	18,623	4,606	24,105	49,933	40,839
Brochures and programs	84,779	8,088	6,873	99,740	2,188	22,044	19,447	43,679	143,419	198,356
Donated services and items	25,228	-	900	26,128	2,111	11,907	47,108	61,126	87,254	327,258
Shops	-	-	9,257	9,257	-	-	-	-	9,257	9,927
Utilities	52,224	30,912	60,937	144,073	7,505	7,506	7,728	22,739	166,812	188,360
Equipment rental, repairs, and maintenance	202,014	10,154	83,734	295,902	46,631	57,119	99,634	203,384	499,286	495,519
Fees - artists	1,255,026	307,113	12,420	1,574,559	1,500	12,100	21,640	35,240	1,609,799	1,700,015
Fees - consultants	79,300		31,504	110,804	19,825	35,055	-	54,880	165,684	182,203
Fees - press agents	56,860	3,319	55,318	115,497	-	-	3,319	3,319	118,816	63,346
Fees - technical staff	175,286	11,285	352	186,923	128	5,289	22,731	28,148	215,071	215,712
Food and beverage	57,572	10,919	1,677	70,168	10,311	63,559	135,125	208,995	279,163	257,729
Insurance - other	49,922	22,298	49,938	122,158	16,524	5,848	-	22,372	144,530	134,147
Meetings and entertainment	5,275	213	632	6,120	2,113	1,712	-	3,825	9,945	11,689
Postage and supplies	60,827	1,329	3,168	65,324	18,730	18,677	7,308	44,715	110,039	100,833
Production	75,689	13,992	13,278	102,959	387	8,644	59,909	68,940	171,899	231,178
Promotions	5,109	-	-	5,109	-	7,525	-	7,525	12,634	6,926
Rental activities	37	-	-	37	-	-	-	-	37	76
Restoration	-	-	23,400	23,400	-	-	-	-	23,400	21,395
Security systems	9,332	1,839	1,524	12,695	1,579	-	260	1,839	14,534	14,312
Space rentals	24,169	845	17,870	42,884	-	700	-	700	43,584	21,665
Telephone	14,336	4,983	4,728	24,047	2,050	5,980	1,661	9,691	33,738	32,545
Temporary help	-	-	-	-	-	1,394	-	1,394	1,394	2,063
Travel and accommodations	97,090	22,012	2,509	121,611	3,215	2,345	682	6,242	127,853	137,793
Bad debt	-	800	-	800	-	1,084	-	1,084	1,884	1,000
Total Operating Expenses	3,422,728	773,203	831,563	5,027,494	591,791	867,562	577,467	2,036,820	7,064,314	7,275,627
Depreciation	83,565	57,630	57,630	198,825	23,052	43,223	23,052	89,327	288,152	241,012
Totals	$ 3,506,293	$ 830,833	$ 889,193	$ 5,226,319	$ 614,843	$ 910,785	$ 600,519	$ 2,126,147	$ 7,352,466	$ 7,516,639

See notes to financial statements

Caramoor Center for Music and the Arts, Inc.

Statement of Cash Flows

Year Ended December 31, 2015
(with comparative amounts for the year ended December 21, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,667,288	$ 1,722,363
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debt expense	1,884	1,000
Loss on sale of assets	-	3,234
Depreciation	288,152	241,012
Net realized gains on sale of investments	(430,105)	(128,846)
Unrealized depreciation on investments	722,014	475,680
Permanently restricted contributions	(1,707,646)	(941,812)
Net change in operating assets and liabilities	(180,764)	(542,803)
Net Cash from Operating Activities	360,823	829,828
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	5,483,532	4,174,753
Purchase of investments	(6,800,033)	(5,177,050)
Purchase of property and equipment	(730,759)	(895,457)
Net Cash from Investing Activities	(2,047,260)	(1,897,754)
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	1,707,646	941,812
Net Cash from Financing Activities	1,707,646	941,812
Net Change in Cash and Cash Equivalents	21,209	(126,114)
CASH AND CASH EQUIVALENTS		
Beginning of year	396,599	522,713
End of year	$ 417,808	$ 396,599

See notes to financial statements

Caramoor Center for Music and the Arts, Inc.

Notes to Financial Statements
December 31, 2015

1. Organization and Taxation

Caramoor Center for Music and the Arts – a unique Westchester County setting of Italianate architecture and gardens – enriches the lives of its audiences through innovative and diverse musical performances of the highest quality, mentors young professional musicians, and engages young children through interactive educational experiences that deepen their relationship to and understanding of music.

Caramoor is a charitable organization and is exempt from federal income taxes under Sections 501(c)(3) and 509(a)(2) of the Internal Revenue Code of 1986 as amended.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Caramoor's financial statements for the year ended December 31, 2014 from which the summarized information was derived.

Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Caramoor and the changes therein are classified and reported as unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Contributions restricted for Caramoor's operating programs whose restrictions are met in the same reporting period are reported as unrestricted.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions are recorded as temporarily or permanently restricted net assets and revenue and support if they are received with donor imposed stipulations that limit their use. Donor restrictions expire by either the passage of stipulated time or the accomplishment of the stated purposes. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions that are received and expended in the same period are considered unrestricted.

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition (continued)

Permanently restricted contributions are those funds whose use is limited by donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Board of Trustees. Permanently restricted net assets are comprised of endowed funds, the income from which is to be used for programs and capital improvements.

Revenue from advance ticket sales are recognized when the event occurs. Revenue and support from special events are recognized when realizable and earned.

Functional Expense Reporting

Expenses are classified according to the programs and support functions for which they were incurred. Certain common costs have been allocated based on management's estimate of the benefit provided.

Operating Measure

Caramoor has elected to present an operating measure in its statement of activities. Accordingly, items affecting operations are segregated from those not affecting operations. Among items not affecting operations are a portion of investment income not used for operations, contributions restricted for capital purposes or otherwise permanently restricted and net assets released from restrictions to finance property improvements.

Fair Value of Financial Instruments

Caramoor follows U.S. GAAP on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

During 2015, Caramoor adopted new U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient. Adoption of this guidance was applied retrospectively and had no effect on the carrying value of such investments.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value of Financial Instruments (continued)

Caramoor's financial instruments consist of cash and investments. The carrying value of investments are based on quoted market prices where available or other appropriate valuation methodologies. The estimated fair value of certain limited partnership investments and real estate funds is based on valuations provided by the external investment managers as of December 31, 2015. Caramoor believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because the limited partnerships and real estate funds are not readily marketable, their estimated value is subject to uncertainty and therefore may be materially different from the value that would have been used had a ready market for such investments existed.

Investments Valuation

Investments are carried at fair value.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

Cash and Cash Equivalents

Caramoor considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Contributions and Other Receivables

Contributions receivable are recorded when the contribution is received, or in the case of unconditional promises to give, when the promise is made. An estimate of uncollectible promises has been made and included as an offset to contributions receivable. Caramoor believes all other receivables are current and collectible.

All unconditional pledges receivable greater than one year are recorded at their estimated realizable value on a discounted basis. The discount is recognized as a reduction in contribution revenue and is amortized over the duration of the pledges.

Property and Equipment

Property and equipment is recorded at cost, or at fair value as of the date of the gift, if received by gift. Real estate received by gift from Walter T. Rosen and Lucie B. Rosen (90 acres) is stated at assessed value at the date of the gift in 1968. Caramoor capitalizes property and equipment acquisitions that have estimated useful lives longer than one year and depreciates its long-lived tangible assets, except those designated as works of art, using the straight-line method. The estimated useful lives currently in use are 15-50 years for buildings and the garden, 23-40 years for the theatre, 3-25 years for equipment, 4-5 years for automobiles and trucks and 5-10 years for furniture and fixtures.

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment *(continued)*

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period of disposition. The cost of maintenance and repairs is charged to expense as incurred.

Capitalized Construction Costs

Capitalized construction costs related to costs incurred in the pre-construction phase of the project are added to the cost of the underlying assets.

Arts Collection

Arts collection items are recorded at the appraised value at the date of donation, or at cost when purchased or improved. Items in the arts collection include furniture and decorative and fine works of art donated in 1968.

Deferred Revenue

Deferred revenue consists of payments received for events to take place at a future date and is recognized as revenue in the period when the event occurs.

Advertising Costs

Advertising costs are expensed as incurred.

Accounting for Uncertainty in Income Taxes

Caramoor recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Caramoor had no uncertain tax positions that would require financial statement recognition and/or disclosure. Caramoor is no longer subject to examinations by applicable taxing jurisdictions for periods prior to December 31, 2012.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 31, 2016.

3. Concentrations of Credit Risk

Financial instruments that potentially subject Caramoor to concentrations of credit risk consist primarily of cash, investments and receivables. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation insurance limit. Caramoor's investments in TIFF investments comprise 79% of total investments. Caramoor's receivables are primarily from its Trustees and other long standing contributors. Caramoor believes that its cash, investments and receivables do not present a material credit risk.

4. Contributions Receivable, Net

Contributions receivable, net consist of the following at December 31, 2015:

Due in one year	$ 979,625
Less allowance for doubtful accounts	11,175
Contributions Receivable, Net	$ 968,450

5. Endowments, Investments and Investment Return

Interpretation of Law

Caramoor follows the provisions of the New York State Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). Consistent with its interpretation of NYPMIFA, Caramoor classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Caramoor in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Return Objectives and Risk Parameters

Caramoor maintains various donor-restricted endowment funds and Board designated quasi-endowment funds whose purpose is to provide long term support for its programs and facilities. Caramoor 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 attempting to maintain purchasing power of the endowment assets.

Caramoor utilizes a total return investment approach with its asset allocation diversified over multiple asset classes and sub classes. The overall investment objective of the Caramoor donor-restricted endowment funds and Board designated quasi-endowment funds (collectively, the "Endowment") is to provide the greatest level of support for operating expenses and capital maintenance of Caramoor consistent with the preservation of purchasing power of the Endowment. To balance the current and future needs for operating and maintenance support, Caramoor's investment policy seeks to maintain or enhance the real (inflation-adjusted) purchasing power of the Endowment, net of payments pursuant to the spending policy described below. This objective leads to an equity-oriented investment strategy, which in turn implies that the total market value and amount available to support

5. Endowments, Investments and Investment Return *(continued)*

Return Objectives and Risk Parameters (continued)

Caramoor's operations will likely fluctuate from year to year. The investment performance objective is to attain, over a majority of market cycles, an annualized real total return, net of fees, of at least 5% per annum.

Spending Rate Methods

Caramoor has adopted a policy of annually expending amounts from its invested funds maintained as donor-restricted endowment and Board designated quasi-endowment funds to support current operations based on five percent of a three-year quarterly average fair value of investments held. In addition, with the approval of its Trustees, Caramoor has used Board designated quasi-endowment funds for operating and capital purposes.

If permanently restricted endowment funds have experienced losses below the permanently restricted amount of such funds due to market fluctuations, U.S. GAAP requires that such excess losses be absorbed by the unrestricted net assets of Caramoor and that future gains be allocated to unrestricted net assets until such losses have been restored. The aggregate amount by which Caramoor's donor restricted endowment funds are below their historic cost at December 31, 2015 was $89,837.

The following is a reconciliation of the activity in the endowment funds for 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, December 31, 2014	$ 749,095	$ 2,223,853	$10,466,314	$ 13,439,262
Contributions and pledge collections	-	-	1,175,761	1,175,761
Donor re-designations	-	-	156,855	156,855
Distribution from Board designated quasi-endowment	(200,000)	-	-	(200,000)
Subtotal	(200,000)	-	1,332,616	1,132,616
Investment income, net	12,072	121,723	-	133,795
Unrealized depreciation	(115,788)	(171,818)	-	(287,606)
Total Investment Income	(103,716)	(50,095)	-	(153,811)
Distribution for operations from invested funds	(42,822)	(408,488)	-	(451,310)
Total return on investment net of distribution for operations from invested funds	(146,538)	(458,583)	-	(605,121)
Balance, December 31, 2015	$ 402,557	$ 1,765,270	$11,798,930	$ 13,966,757
Comprised of the Following				
Donor-restricted funds	$ -	$ 1,765,270	$11,798,930	$ 13,564,200
Board designated funds	402,557	-	-	402,557
				13,966,757
Investments not considered endowments				1,557,354
Total Investments				$ 15,524,111

5. Endowments, Investments and Investment Return *(continued)*

The following are major categories of investments measured at fair value on a recurring basis at December 31, 2015 grouped by the fair value hierarchy:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	$ -	$ 1,414,165	$ -	$ 1,414,165
Common stock	-	-	-	-
TIFF Multi-asset				
Equities	-	5,860,887	-	5,860,887
Bonds	-	1,537,282	-	1,537,282
Commodities	-	480,401	-	480,401
REITs	-	288,240	-	288,240
Other hedging assets	-	960,802	-	960,802
Alternative investments				
TIFF Absolute Return Pool (1)	-	-	-	2,486,374
Real estate funds (1)	-	-	-	271,155
Private equity (1)	-	-	-	446,807
	$ -	$ 10,541,777	$ -	13,746,113
Invested cash				1,777,998
				$ 15,524,111

(1) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in the total column of this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

There were no transfers between level 1 and level 2 of the fair value hierarchy during 2015.

Information regarding alternative investments measured at NAV using the practical expedient at December 31, 2015, is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
TIFF Absolute Return Pool (see "a" below)	$ 2,486,374	$ -	Quarterly	100 days
Real estate funds (see "b" below)	271,155	160,891	N/A	N/A
Private equity funds (see "c" below)	446,807	76,500	N/A	N/A
	$ 3,204,336	$ 237,391		

5. Endowments, Investments and Investment Return *(continued)*

a. This category is comprised of a fund of funds which invests in multiple hedge funds which pursue long/short equity, event driven, capital structure arbitrage, fixed income and other investment strategies. The primary objective is to generate an annualized return equal to or greater than the 91 day treasury bills plus 5%, net of all costs, over rolling three-year periods.

b. This category is comprised of funds of funds which invest primarily in real estate and natural resource partnerships. The primary objective is to preserve and enhance capital values during periods of high inflation and to provide positive investment returns during other periods. It is estimated that the underlying assets of the fund will be liquidated over the next 7 to 10 years.

c. This category consists of funds of funds which invest primarily in private equity investment partnerships. The primary objective is to generate returns in excess of those provided by publicly traded equity markets. It is estimated that the underlying assets of the fund will be liquidated over 2 to 5 years.

The Investment Fund for Foundations ("TIFF")

TIFF is a non-profit organization, the mission of which is to improve the investment return of endowed non-profit organizations.

(TIFF) Absolute Return Pool

The objective of the Absolute Return Pool is to generate, over three-year periods, an annualized return greater than 91-day treasury bills plus 5%, net of all costs. Its secondary objective is to produce real return in all rolling 12-month time periods. The pool holds domestic and international holdings. The NAV of the Fund is determined monthly using the market value or fair value if market data is unavailable, of all of the underlying securities held. Caramoor may redeem ¼ of its holdings in this fund each quarter, subject to a 100 day notice period. The fair value of the Fund was $2,486,374 at December 31, 2015.

TIFF Real Estate Partners I ("REP I")

The Fund's objective is to assist members in maintaining endowment purchasing power by generating returns in a manner that will cause members' total portfolios to be less volatile than would be the case if capital committed to REP 1 were instead invested in an index fund that attempts to track the broad U.S. stock market. A secondary objective is to generate annualized returns that are at least 300 basis points above the consumer price index inflation, with the potential for much higher returns if the underlying managers perform as well in the future as they have prior to the inception of the Fund. The Fund has a 15-year term expiring on December 31, 2016, subject to extension at the TIFF Advisory Services, Inc.'s discretion for up to five consecutive one-year periods. The fair value of the Fund was $37,929 at December 31, 2015.

5. Endowments, Investments and Investment Return *(continued)*

TIFF Partners V-US

The Fund has a United States investment focus and the objective of the Fund is to assist members in maintaining endowment purchasing power by generating returns materially greater than those provided by broad United States stock market (as measured by the Wilshire 5000 Total Market Index). The Fund has a 12-year term expiring December 31, 2015, subject to extension at the discretion of TIFF Advisory Services, Inc. for up to five one-year periods. The fair value of the Fund was $174,825 at December 31, 2015.

TIFF Private Equity Partners 2005

The Fund's objective is to assist members in maintaining endowment purchasing power by generating returns materially greater than those provided by global stock markets (as measured by the Morgan Stanley Capital International World Index). It has a 12-year term expiring on December 31, 2017, subject to extension at TIFF Advisory Services, Inc.'s discretion for up to five consecutive one-year periods. The fair value of the Fund was $271,982 at December 31, 2015.

TIFF Realty & Resources 2008

The Fund's primary objective is to generate a net internal rate of return over the life of the Fund's term at least equal to the positive percentage increase in the Consumer Price Index plus 500 basis points per annum, assuming both modest gross domestic product growth and low and stable price inflation during such term. A secondary objective is to invest in real assets the evolving market values of which tend to correlate imperfectly if at all with the changing market values of publicly-traded US stocks and high quality bonds, offering the potential to dampen the volatility of endowment portfolios otherwise invested primarily in such stocks and bonds. Lastly, during periods of high general price inflation, as measured by the CPI, the Fund seeks to generate returns materially in excess of those achievable under less inflationary market conditions. It has a 15-year term expiring December 31, 2022, subject to extension at the discretion of TIFF Advisory Services, Inc. for up to seven consecutive one-year periods. The fair value of the Fund was $233,226 at December 31, 2015.

Investment return for the year ended December 31, 2015 is calculated as follows:

Interest and dividends from investments	$ 153,428
Investment fees	(19,605)
Net realized gains on sale of investments	430,105
Unrealized depreciation on investments	(722,014)
	$ (158,086)
Total return on investments is reflected in the statement of activities as follows:	
Distribution for operations from investment funds	$ 451,310
Total return on investments net of distribution for operations from investment funds	(609,396)
	$ (158,086)

5. Endowments, Investments and Investment Return *(continued)*

Increased Focus on Fundraising

In 2014 and 2015, Caramoor intensified its focus on fundraising as it commenced the early stages of a campaign drive for significant capital improvements to its campus and increases to its endowment.

6. Risks and Uncertainties

Alternative Investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Investments are carried at fair value. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

7. Property and Equipment, Net

Property and equipment, net, consists of the following at December 31, 2015:

Land	$ 58,531
Buildings and theatre	4,833,926
Garden	250,557
Equipment	2,812,478
Vehicles	107,630
Furniture and fixtures	412,463
Land improvements	700,037
Construction-in-progress	865,581
	10,041,203
Less accumulated depreciation	6,527,353
	$ 3,513,850

8. Operating Leases

Caramoor has various operating lease agreements for equipment expiring through 2020. The following minimum annual lease payments as of December 31, 2015 are payable as follows:

2016	$ 15,955
2017	10,780
2018	3,535
2019	3,535
2020	884
	$ 34,689

9. Restrictions on Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 are available for the following purposes:

Capital improvements and maintenance	$ 1,643,212
Musical performances	806,658
Education	1,129,147
Programs	270,311
Time restricted	245,744
	$ 4,095,072

Permanently Restricted Net Assets

Permanently restricted net assets at December 31, 2015 represent gifts that have been restricted by the donor in perpetuity, the income of which is expendable to support the following:

Capital improvements and maintenance	$ 1,432,152
Musical performances	2,978,718
Education	3,437,953
Operations	4,563,081
	$ 12,411,904

9. Restrictions on Net Assets *(continued)*

Net Assets Released from Restrictions

Temporarily restricted net assets were released from restrictions during 2015 for the following purposes:

Operating		
Programs	$	135,487
Non-operating		
Capital projects		654,182

10. Net Change in Operating Assets and Liabilities

The net change in operating assets and liabilities reported for cash flow purposes consisted of the following for the year ended December 31, 2015:

Decrease (Increase) in:		
Contributions receivable	$	(205,457)
Other receivables		600
Inventory		(3,206)
Prepaid expenses		(5,961)
Increase (Decrease) in:		
Accounts payable and accrued expenses		19,653
Deferred revenue		13,607
	$	(180,764)

11. Pension Plan

Caramoor has a defined contribution pension plan covering eligible employees. Annually, 3% of employee compensation is contributed by Caramoor to the plan and up to an additional 4% of employee compensation is contributed by Caramoor to the plan at the discretion of the Board of Trustees. Pension expense for the year ended December 31, 2015 totaled $72,036.

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