



G R O U N D S F O R S C U L P T U R E

GROUND'S FOR SCULPTURE, INC. AND SUBSIDIARY

Consolidated Financial Statements

December 31, 2016 and 2015

With Independent Auditors' Report

Grounds For Sculpture, Inc. and Subsidiary
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Grounds For Sculpture, Inc. and Subsidiary:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Grounds For Sculpture, Inc. and Subsidiary, ("the Organization") which comprise the consolidated statements of financial position as of December 31, 2016 and 2015 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditors' 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 audits 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 auditors' 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 entity'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 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 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 Grounds For Sculpture, Inc. and Subsidiary as of December 31, 2016 and 2015 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis 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 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 supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Withum Smith + Brown, PC

June 9, 2017

Grounds For Sculpture, Inc. and Subsidiary
Consolidated Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 2,283,945	\$ 4,340,325
Investments	3,677,132	1,779,499
Contributions and grants receivable	43,964	42,964
Inventory	44,531	163,006
Prepaid expenses and other assets	227,192	193,009
Deferred tax asset	269,100	207,200
Collections	--	--
Property and equipment, net	<u>21,734,099</u>	<u>22,202,908</u>
 Total assets	 <u>\$ 28,279,963</u>	 <u>\$ 28,928,911</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 537,061	\$ 1,020,231
Accrued expenses	287,565	317,953
Deferred revenue	<u>496,894</u>	<u>514,183</u>
Total liabilities	1,321,520	1,852,367
Net assets		
Unrestricted		
Available for general operations	26,618,945	27,044,344
Board restricted endowment	<u>114,821</u>	<u>--</u>
Total unrestricted	26,733,766	27,044,344
Temporarily restricted	41,037	32,200
Permanently restricted	<u>183,640</u>	<u>--</u>
Total net assets	<u>26,958,443</u>	<u>27,076,544</u>
	<u>\$ 28,279,963</u>	<u>\$ 28,928,911</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Grounds For Sculpture, Inc. and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Operating activities				
Operating support and revenue				
Support				
Contributions and grants	\$ 2,802,444	\$ 27,500	\$ 183,640	\$ 3,013,584
In-kind contributions	109,143	--	--	109,143
Fundraising	<u>123,729</u>	<u>--</u>	<u>--</u>	<u>123,729</u>
	3,035,316	27,500	183,640	3,246,456
Revenue				
Admission fees	2,443,368	--	--	2,443,368
Membership fees	581,377	--	--	581,377
Education and event program fees	208,100	--	--	208,100
Food services	637,619	--	--	637,619
Museum shop sales	377,714	--	--	377,714
Event rentals	170,358	--	--	170,358
Rental income	162,900	--	--	162,900
Investment income	<u>296,194</u>	<u>13,537</u>	<u>--</u>	<u>309,731</u>
	4,877,630	13,537	--	4,891,167
Net assets released from restrictions	<u>32,200</u>	<u>(32,200)</u>	<u>--</u>	<u>--</u>
	7,945,146	8,837	183,640	8,137,623
Operating expenses				
Programs	4,721,766	--	--	4,721,766
Management and general	1,214,095	--	--	1,214,095
Fundraising	998,201	--	--	998,201
Auxiliary operations	<u>1,383,562</u>	<u>--</u>	<u>--</u>	<u>1,383,562</u>
	8,317,624	--	--	8,317,624
Change in net assets before income taxes	(372,478)	8,837	183,640	(180,001)
Benefit from income taxes	<u>61,900</u>	<u>--</u>	<u>--</u>	<u>61,900</u>
Change in net assets	(310,578)	8,837	183,640	(118,101)
Net assets - beginning of year	<u>27,044,344</u>	<u>32,200</u>	<u>--</u>	<u>27,076,544</u>
Net assets - end of year	<u>\$ 26,733,766</u>	<u>\$ 41,037</u>	<u>\$ 183,640</u>	<u>\$ 26,958,443</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Grounds For Sculpture, Inc. and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Operating activities			
Operating support and revenue			
Support			
Contributions and grants	\$ 2,937,255	\$ 32,200	\$ 2,969,455
In-kind contributions	115,841	--	115,841
Fundraising	<u>111,526</u>	<u>--</u>	<u>111,526</u>
	3,164,622	32,200	3,196,822
Revenue			
Admission fees	2,251,649	--	2,251,649
Membership fees	454,986	--	454,986
Education and event program fees	158,718	--	158,718
Food services	6,544,625	--	6,544,625
Museum shop sales	352,990	--	352,990
Event rentals	193,120	--	193,120
Royalty income	3,314	--	3,314
Investment income	<u>33,153</u>	<u>--</u>	<u>33,153</u>
	9,992,555	--	9,992,555
Net assets released from restrictions	<u>232,089</u>	<u>(232,089)</u>	<u>--</u>
	13,389,266	(199,889)	13,189,377
Operating expenses			
Programs	4,274,264	--	4,274,264
Management and general	1,110,530	--	1,110,530
Fundraising	888,528	--	888,528
Auxiliary operations	<u>6,534,683</u>	<u>--</u>	<u>6,534,683</u>
	12,808,005	--	12,808,005
Change in net assets before income taxes	581,261	(199,889)	381,372
Provision for income taxes	<u>(107,700)</u>	<u>--</u>	<u>(107,700)</u>
Change in net assets	473,561	(199,889)	273,672
Net assets - beginning of year	<u>26,570,783</u>	<u>232,089</u>	<u>26,802,872</u>
Net assets - end of year	<u>\$ 27,044,344</u>	<u>\$ 32,200</u>	<u>\$ 27,076,544</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Grounds For Sculpture, Inc. and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Changes in net assets	\$ (118,101)	\$ 273,672
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	605,669	615,002
Deferred income tax (benefit) expense	(61,900)	107,700
Investment income	309,731	20,254
Endowment fund contributions	(183,640)	
Changes in assets and liabilities		
Contributions and grants receivable	(1,000)	19,300
Inventory	118,475	28,005
Prepaid expenses and other assets	(34,183)	(99,180)
Accounts payable	(483,170)	191,671
Accrued expenses	(30,388)	29,257
Deferred income	(17,289)	59,123
Net cash provided by operating activities	<u>104,204</u>	<u>1,244,804</u>
Cash flows from investing activities		
Purchase of investments	(4,905,397)	(331,730)
Sale of investments	2,698,033	2,656,314
Endowment fund contributions	183,640	--
Purchase of property and equipment	(136,860)	(160,925)
Net cash (used) provided by investing activities	<u>(2,160,584)</u>	<u>2,163,659</u>
Net change in cash and cash equivalents	(2,056,380)	3,408,463
Cash and cash equivalents		
Beginning of year	<u>4,340,325</u>	<u>931,862</u>
End of year	<u>\$ 2,283,945</u>	<u>\$ 4,340,325</u>
Supplemental disclosure of cash flow information		
Income taxes paid	<u>\$ 3,000</u>	<u>\$ --</u>

There were no amounts paid for interest for the years ended December 31, 2016 and 2015.

Grounds For Sculpture, Inc. and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

1. Organization and Purpose

Grounds For Sculpture, Inc., is a New Jersey not-for-profit corporation incorporated on December 7, 1999, to promote an understanding of and appreciation for contemporary sculpture for all people by maintaining a 42-acre sculpture park in Hamilton, NJ, featuring works by well-known and emerging American and international artists and by organizing accessible exhibitions and interpreting these exhibitions through publications, lectures, workshops and other educational programs. In accordance with its mission, Grounds For Sculpture, Inc. presents visitors with an evolving permanent outdoor collection, seasonal exhibitions, and educational programs designed to facilitate the understanding of and appreciation for contemporary sculpture. Significant sources of revenue are from contributions, grants and contracts, sales of merchandise, special events, admissions income, and income from programs operated to promote Grounds For Sculpture Inc.'s purpose. GFSL, Inc. ("GFSL"), a wholly-owned for profit subsidiary of Grounds For Sculpture, Inc., operates a restaurant, café and catering service for patrons of the park as well as the general public. Effective April 2016, the foodservice operations of GFSL, Inc., including the liquor license have been transferred to an outside management company. Under the terms of the 10 year agreement, there will be an annual rental fee paid as well as commissions based on achievement of certain sales levels and the agreement can be cancelled by either party with notice. Significant sources of revenue for GFSL are from sales of food and beverages for 2015 and from rental income and commissions received as part of the contract with the outside company for 2016.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The assets, liabilities, net assets, revenues and expenses of Grounds For Sculpture, Inc. and its subsidiary GFSL, Inc. have been consolidated as Grounds For Sculpture, Inc. and Subsidiary (the "Organization" or "GFS"). All significant intercompany transactions have been eliminated.

Basis of Presentation

External financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. The unrestricted net asset category represents net assets that are not subject to donor imposed restrictions, the temporarily restricted net asset category represents net assets that are subject to time or purpose donor imposed restrictions and the permanently restricted net asset category represents net assets that are subject to donor imposed restrictions that cannot be satisfied by either time or by actions of GFS. During the years ended December 31, 2016 and 2015 GFS had accounting transactions in the unrestricted and temporarily restricted net asset categories. During the year ended December 31, 2016, GFS had accounting transactions in the permanently restricted category.

Revenue and Support Recognition

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related asset 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. Revenue and costs of sales of goods are reported net of discounts and sales taxes. Corporate and individual memberships are reflected in support and revenue ratably over the annual membership period. Admission fees and food service are recorded at the time the service is provided.

Contributions

GFS recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Grounds For Sculpture, Inc. and Subsidiary Notes to Consolidated Financial Statements December 31, 2016 and 2015

When a donor restriction expires, temporarily restricted net assets are reclassified and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of recording the contributions of such assets as unrestricted support.

Contributions and Grants Receivable

Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off to income all balances that are considered uncollectable. Contributions and grants receivable are expected to be collected in the next fiscal year.

In-kind Donations

The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets and materials are recognized at fair market value when received. In-kind donations of \$11,143 and \$17,841 were recorded for the years ended December 31, 2016 and 2015, respectively.

GFS leases office, education and exhibition space from The Seward Johnson Atelier under a one year renewable lease at the rate of \$1 per year. The premises are to be used in Grounds for Sculptures' charitable activities. The financial statements include an in-kind contribution of \$98,000 and occupancy expense for each of the years ended December 31, 2016 and 2015.

Other Revenues

Unrestricted revenues are obtained from the admission fees, food services, rental income, sale of merchandise, special events, and program fees. These revenues are recorded when the park admission is used, as the leased property is used, merchandise is sold or the program has occurred and are used to offset program expenses as well as the cost of property and equipment acquisitions and management and general and development expenses. Program revenues and admission fees received in advance of their usage are classified as deferred revenue in the consolidated statements of financial position.

Membership fees are recorded when earned based on the level of membership purchased and the value received over the term of membership, which is normally one year from date of purchase. Memberships that carry member benefits that can be utilized in future periods have been recorded as deferred revenue in the consolidated statements of financial position.

Investments

Investments, primarily consisting of equity securities and certificates of deposit, are stated at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in unrestricted net assets unless the use was restricted by explicit donor stipulations or by law.

Inventory

Inventory – GFS maintains an inventory of books, posters, sculpture replicas and other mission related products, purchased for resale, that are sold in its Museum Shops. Additionally, there is an inventory in wine and spirits and other items related to the restaurant that was recorded at December 31, 2015. Inventory is valued at the lower of cost or market. Costs are determined on a first-in, first-out basis.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grounds For Sculpture, Inc. and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

Advertising

Advertising is expensed in the period incurred. Advertising amounted to \$114,968 and \$102,179 for the years ended December 31, 2016 and 2015, respectively.

Property and Equipment

Property and equipment are recorded at cost, except for donated items which are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method based on the assets' estimated useful lives. When assets are retired or otherwise disposed of, the cost and the accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to operations as incurred. Significant renewals and betterments of \$5,000 or more are capitalized.

Collections

Collections consist of sculptures and other contemporary art pieces. The primary focus of the collection is to maintain, exhibit, interpret, and engage visitors with works of contemporary sculptures. Collections acquired either through purchase or donations are not capitalized. Purchases of collection items are recorded as decreases in unrestricted net assets if purchased with unrestricted assets and as decreases in temporarily restricted or permanently restricted net assets if purchased with donor-restricted funds.

During 2016 and 2015, GFS purchased \$58,400 and \$104,000 of artwork, respectively, which is included in program expense in the consolidated statements of activities and changes in net assets. Contributions of collection items are not recognized in the consolidated statements of activities and changes in net assets. Proceeds from deaccessions or insurance recoveries are reflected on the consolidated statements of activities and changes in net assets based on the absence or existence and nature of donor-imposed restrictions.

Donations and acquisitions of collections are not required to be recognized since they are added to collections that are held for public exhibition and education in furtherance of public service rather than financial gain; are protected, kept encumbered, cared for and preserved; and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Intangible Asset

The liquor license was transferred as part of the agreement to outsource the foodservice operation of GFSL. Upon termination of the agreement, the liquor license would be transferred back to GFSL, Inc. The liquor license was carried at amortized cost which was \$125,000 at the year ended December 31, 2015. Accumulated amortization of \$125,000 was recorded at December 31, 2015, and is computed using the straight-line method based on the asset's estimated useful life. When the asset is retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is recognized.

Expense Allocation

The cost of providing the various programs and activities has been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Expenses are directly charged to the program activities other than those that benefit multiple functions. These expenses have been allocated to functions based upon an allocation methodology using salaries or square footage used as a basis.

Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments with a maturity date of three months or less on the date of acquisition.

Valuation of Long-Lived Assets

In accordance with the provisions of the accounting pronouncement on accounting for the impairment or disposal of long-lived assets, GFS reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these consolidated financial statements.

Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents, grants and contracts, contribution and other receivables, and accounts payable and accrued expenses approximate their fair values because of the relatively short maturity of these instruments.

Change in Accounting Principle

GFS elected to early adopt Accounting Standards Update 2015-07, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. This change was retroactively applied to the 2015 financial statements and had no effect on previously reported net assets or changes in net assets. These investments are categorized as investments valued at net asset value in Note 5.

Income Taxes

Grounds For Sculpture, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the consolidated financial statements do not reflect a provision for Federal income taxes related to Grounds for Sculpture, Inc.

GFSL, Inc. is subject to federal and state income taxes. GFSL files tax returns in the U.S. federal and New Jersey jurisdictions. GFSL provides for the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred income tax assets and liabilities are recognized for the differences between financial and income tax reporting basis of assets and liabilities based on enacted tax rates and laws. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. The deferred income tax provision or benefit generally reflects the net change in deferred income tax assets and liabilities during the year. The current income tax provision estimates the tax due on the income tax returns for the year reported.

There were no uncertain tax positions at December 31, 2016 and 2015. Additionally, neither entity had any income tax related penalties or interest for the years covered by the consolidated financial statements.

3. Investments

Investments at market value and cost at December 31 were as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded funds	\$ 3,012,797	\$ 3,074,318	\$ --	\$ --
Common stock	198,254	288,061	787,689	1,278,414
Mutual funds	48,186	44,205	--	--
Pooled investments	250,748	270,548	--	--
Certificates of deposit	--	--	501,000	501,085
	<u>\$ 3,509,985</u>	<u>\$ 3,677,132</u>	<u>\$ 1,288,689</u>	<u>\$ 1,779,499</u>

Investment income related to these investments is included with investment income earned by cash and cash equivalents on the consolidated statements of activities and changes in net assets at December 31, and was comprised of the following:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 76,249	\$ 53,407
Realized gain	557,059	--
Unrealized loss	(323,577)	(20,254)
	<u>\$ 309,731</u>	<u>\$ 33,153</u>

Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

4. Property and Equipment

Property and equipment at December 31, was comprised of the following:

	Estimated Useful Life (in years)	December 31,	
		2016	2015
Land	--	\$ 5,267,140	\$ 5,267,140
Buildings and site improvements	30	16,844,257	16,844,257
Furniture and equipment	5 - 7	1,375,293	1,434,543
Computer software and hardware	3	249,206	325,244
Vehicles	5	130,615	130,615
		23,866,511	24,001,799
Less accumulated depreciation		(2,132,412)	(1,798,891)
		<u>\$ 21,734,099</u>	<u>22,202,908</u>

Depreciation expense charged to operations amounted to \$605,669 and \$615,002 for the years ended December 31, 2016 and 2015, respectively.

5. Recurring Fair Value Measurements

GFS has provided fair value disclosure information for relevant assets and liabilities in these consolidated financial statements. For applicable assets (liabilities) subject to this pronouncement, GFS will value such assets (liabilities) using quoted market prices in active markets for identical assets to the extent possible (Level 1). To the extent that such market prices are not available, GFS will next attempt to value such assets (liabilities) using observable measurement criteria, including quoted market prices of similar assets (liabilities) in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, GFS will develop measurement criteria based on the best information available (Level 3).

The following table summarizes assets (liabilities) which have been accounted for at fair value on a recurring basis as of December 31, along with the basis for the determination of fair value:

	2016			
	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 3,074,318	\$ 3,074,318	\$ --	\$ --
Common stock	288,061	288,061	--	--
Mutual funds	44,205	44,205	--	--
	3,406,584	<u>\$ 3,406,584</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value (a)	270,548			
	<u>\$ 3,677,132</u>			

(a) This class includes funds held and managed by a community foundation. The Organization has an ownership share interest in the investment pool, which is revaluated on a monthly basis to market.

Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

	2015			
	Total	Level 1	Level 2	Level 3
Common stock	\$ 1,278,414	\$ 1,278,414	\$ --	\$ --
Certificates of deposit	501,085	--	501,085	--
	<u>\$ 1,779,499</u>	<u>\$ 1,278,414</u>	<u>\$ 501,085</u>	<u>\$ --</u>

6. Deferred Revenue

GFS has deferred revenue of \$496,894 and \$514,183 at December 31, 2016 and 2015, respectively. Deferred revenue has been recorded for event deposits and program fees that are associated with programs and events occurring in the next fiscal year and for the portion of membership fees attributable to the next fiscal year.

7. Operating Leases

Equipment lease expense under non-cancelable operating leases for office equipment expiring through March 2018 amounted to \$21,815 and \$16,500 for the years ended December 31, 2016 and 2015, respectively. Future minimum payment for the remaining lease terms are as follows:

Years Ending December 31,	Amount
2017	\$ 13,338
2018	1,689

Rental income is received under an operating lease for the use of restaurant facilities and equipment, which expires in December 2024, but which can be terminated by either party with 120 days written notice. The lease calls for a base rent, with annual 3 percent escalations, plus commissions of 5 percent for food sales and 10 - 15 percent for external catering sales, once a minimum threshold is reached for each category. The base rental income is received monthly under the terms of the lease. Future minimum payments for the remaining lease terms are as follows:

Years Ending December 31,	Amount
2017	\$ 217,200
2018	223,716
2019	230,427
2020	237,340
2021 and thereafter	1,022,730

8. Employee Retirement Plan

All employees of Grounds For Sculpture, Inc. who have completed minimum service requirements are eligible to participate in the Grounds For Sculpture 403(b) Profit Sharing Plan (the "Plan"). Participants in the Plan are eligible to contribute amounts up to the maximum allowed by law on an annual basis. In addition, Grounds for Sculpture, Inc. may make non-elective contributions as defined by the Plan. Employees that are participating in the Plan are eligible for a maximum annual contribution limited to the lesser of 7 percent of their salary or the amount contributed into the Plan. Discretionary annual employer contributions, amounted to \$80,201 and \$72,234 for the years ended December 31, 2016 and 2015, respectively.

Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

9. Contributed Services

GFS pays for most services requiring specific expertise. However, many individuals donate their time in performing a variety of tasks to assist GFS operations. The donated hours and value of these contributed services have not been included in these consolidated financial statements, as they do not meet the criteria for recognition and were estimated for the years ended December 31, 2016 and 2015 as follows:

	Hours	Value
2016	8,086	\$ 87,656
2015	7,750	\$ 82,800

10. Net Assets

Temporarily restricted net assets were comprised of the following at December 31:

	2016	2015
Sustainable Soil Improvement Program	\$ --	\$ 25,000
Wellness Walks	7,500	7,200
Exhibitions, conservation care, acquisitions	13,537	--
Harriet Tubman and Other Truths	20,000	--
	<u>\$ 41,037</u>	<u>\$ 32,200</u>

Permanently restricted net assets were comprised of the following at December 31:

	2016	2015
Brooke Barrie endowment fund		
Exhibitions, conservation care, acquisitions	<u>\$ 183,640</u>	<u>\$ --</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2016	2015
Sustainable Soil Improvement Program	\$ 25,000	\$ --
Capacity Building Grant	--	212,789
Volunteer Docent program	--	19,300
Wellness Walks	7,200	--
	<u>\$ 32,200</u>	<u>\$ 232,089</u>

11. Endowment Funds

The Organization's endowment fund (the "Fund") includes both donor-restricted funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

Purpose

The purpose of the Fund is to support exhibitions, conservation care, and acquisitions that will broaden and enrich the public experience of art.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State of New Jersey Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies 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 the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Organization and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

In accordance with the investment policy, the objectives of the Fund are to create growth while enabling an annual draw down. Long-term total return is more important than short-term results.

Spending Policy

The Organization has adopted a discretionary spending policy to be applied to its endowment funds, which is within prudent limits as outlined in UPMIFA. The Board can determine each year how much to distribute from its designated endowment to use for its current operating purposes. As the endowment fund has been established in the current year, there was no distribution. This policy enables the Organization to preserve and strengthen its endowment for the future.

Investment Return

Investment return is accumulated in temporarily restricted net assets until appropriated for expenditure.

Net Asset Composition

A reconciliation of the beginning and ending balances of the Organization's endowment, in total and by net asset class, consists of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2015	\$ --	\$ --	\$ --	\$ --
Investment return	14,821	13,537	--	28,358
Contributions	--	--	183,640	183,640
Transfers in	100,000	--	--	100,000
Amounts appropriated for expenditure	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Endowment net assets, December 31, 2016	<u>\$ 114,821</u>	<u>\$ 13,537</u>	<u>\$ 183,640</u>	<u>\$311,998</u>

Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

12. Income Taxes

GFSL files separate income tax returns. The provision for income taxes for the years ended December 31, is as follows:

	2016	2015
Current tax expense		
Federal	\$ --	\$ --
State	--	--
	<u> </u>	<u> </u>
	--	--
Deferred tax (benefit) expense		
Federal	(49,000)	74,000
State	(12,900)	33,700
	<u> </u>	<u> </u>
	(61,900)	107,700
	<u> </u>	<u> </u>
	<u>\$ (61,900)</u>	<u>\$ 107,700</u>

At December 31, 2016 and 2015, deferred income tax assets are attributable to net operating loss carryforwards. At December 31, 2016 and 2015, GFSL had Federal net operating loss carryforwards of approximately \$662,700 and \$519,000, respectively, and state net operating loss carryforwards of approximately \$487,000 and \$343,000, respectively, available to offset future taxable income and expiring at various dates from 2031 through 2036. The deferred tax asset associated with the net operating loss carryforwards amounted to \$269,100 and \$207,200 for the years ended December 31, 2016 and 2015, respectively. Net operating loss carryforwards of approximately \$- and \$330,000 were used for the years ended December 31, 2016 and 2015, respectively. The net operating loss carryforwards are anticipated to be used prior to their expiration therefore, no valuation allowance has been established.

13. Concentrations

GFS's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, investments, and receivables. At times during the year, cash of GFS deposited in financial institutions exceeds the FDIC limit of \$250,000. The management of GFS deposits cash funds in high quality institutions to lessen the amount of uninsured exposure. GFS has a long-standing history of collecting its pledges and contributions receivable, which are from various individuals, corporations and foundations. An allowance for uncollectible accounts is normally recorded in the consolidated financial statements for any amounts considered uncollectible. This limits GFS's exposure to credit risk.

GFS has received revenue from one donor that amounted to 16 percent and 13 percent of total revenue for the years ended December 31, 2016 and 2015, respectively.

GFS received contributions totaling \$96,600 and \$84,210 from members of the Board of Trustees for the years ended December 31, 2016 and 2015, respectively.

14. New Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14 – Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-profit Entities*. ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements. Under ASU 2016-14 (the "ASU"), underwater endowment funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions, as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor-imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor's restrictions at the time the asset is placed in service.

**Grounds For Sculpture, Inc. and Subsidiary
Notes to Consolidated Financial Statements
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In addition to the above disclosures, the ASU changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. Management is evaluating the impact the ASU will have on its consolidated financial statements.

15. Subsequent Events

GFS has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of June 9, 2017, the date the consolidated financial statements were available for release. Based upon this evaluation, GFS has determined that no subsequent events have occurred, which require adjustment to or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Grounds For Sculpture, Inc. and Subsidiary
Consolidating Statements of Financial Position
December 31, 2016

	<u>Grounds For Sculpture, Inc.</u>	<u>GFSL, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 1,862,807	\$ 421,138	\$ --	\$ 2,283,945
Investments	3,677,132	--	--	3,677,132
Contributions and grants receivable	43,964	--	--	43,964
Inventory	44,531	--	--	44,531
Prepaid expenses and other assets	223,523	3,669	--	227,192
Deferred tax asset	--	269,100	--	269,100
Collections	--	--	--	--
Property and equipment, net	21,675,352	58,747	--	21,734,099
Intercompany (payable) receivable	(803)	803	--	--
Investment in subsidiary	<u>520,000</u>	<u>--</u>	<u>(520,000)</u>	<u>--</u>
 Total assets	 <u>\$ 28,046,506</u>	 <u>\$ 753,457</u>	 <u>\$ (520,000)</u>	 <u>\$ 28,279,963</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 181,260	\$ 355,801	\$ --	\$ 537,061
Accrued expenses	287,565	--	--	287,565
Deferred revenue	<u>231,481</u>	<u>265,413</u>	<u>--</u>	<u>496,894</u>
Total liabilities	700,306	621,214	--	1,321,520
Net assets				
Capital contribution	--	520,000	(520,000)	--
Unrestricted				
Available for general operations	27,006,702	(387,757)	--	26,618,945
Board restricted endowment	<u>114,821</u>	<u>--</u>	<u>--</u>	<u>114,821</u>
Total unrestricted	27,121,523	(387,757)	--	26,733,766
Temporarily restricted	41,037	--	--	41,037
Permanently restricted	<u>183,640</u>	<u>--</u>	<u>--</u>	<u>183,640</u>
Total net assets	<u>27,346,200</u>	<u>132,243</u>	<u>(520,000)</u>	<u>26,958,443</u>
	 <u>\$ 28,046,506</u>	 <u>\$ 753,457</u>	 <u>\$ (520,000)</u>	 <u>\$ 28,279,963</u>

See Independent Auditors' Report.

Grounds For Sculpture, Inc. and Subsidiary
Consolidating Statements of Financial Position
December 31, 2015

	<u>Grounds For Sculpture, Inc.</u>	<u>GFSL, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 3,153,637	\$ 1,186,688	\$ --	\$ 4,340,325
Investments	1,779,499	--	--	1,779,499
Contributions and grants receivable	42,964	--	--	42,964
Inventory	36,233	126,773	--	163,006
Prepaid expenses and other assets	159,489	49,802	(16,282)	193,009
Deferred tax asset	--	207,200	--	207,200
Collections	--	--	--	--
Property and equipment, net	22,107,050	95,858	--	22,202,908
Intercompany receivable (payable)	152,018	(152,018)	--	--
Investment in subsidiary	<u>520,000</u>	<u>--</u>	<u>(520,000)</u>	<u>--</u>
Total assets	<u>\$ 27,950,890</u>	<u>\$ 1,514,303</u>	<u>\$ (536,282)</u>	<u>\$ 28,928,911</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 162,441	\$ 874,072	\$ (16,282)	\$ 1,020,231
Accrued expenses	263,969	53,984	--	317,953
Deferred revenue	<u>143,256</u>	<u>370,927</u>	<u>--</u>	<u>514,183</u>
Total liabilities	569,666	1,298,983	(16,282)	1,852,367
Net assets				
Capital contribution	--	520,000	(520,000)	--
Unrestricted	27,349,024	(304,680)	--	27,044,344
Temporarily restricted	<u>32,200</u>	<u>--</u>	<u>--</u>	<u>32,200</u>
Total net assets	<u>27,381,224</u>	<u>215,320</u>	<u>(520,000)</u>	<u>27,076,544</u>
	<u>\$ 27,950,890</u>	<u>\$ 1,514,303</u>	<u>\$ (536,282)</u>	<u>\$ 28,928,911</u>

See Independent Auditors' Report.

Grounds For Sculpture, Inc. and Subsidiary
Consolidating Statements of Activities
Year Ended December 31, 2016

	Grounds For Sculpture, Inc.		Eliminations	Total Unrestricted	Grounds For Sculpture, Inc.		Total
	Unrestricted	GFSL, Inc.			Temporarily Restricted	Permanently Restricted	
Operating activities							
Operating support and revenue							
Support							
Contributions and grants	\$ 2,802,444	\$ --	\$ --	\$ 2,802,444	\$ 27,500	\$ 183,640	\$ 3,013,584
In-kind contributions	109,143	--	--	109,143	--	--	109,143
Fundraising	123,729	--	--	123,729	--	--	123,729
	<u>3,035,316</u>	<u>--</u>	<u>--</u>	<u>3,035,316</u>	<u>27,500</u>	<u>183,640</u>	<u>3,246,456</u>
Revenue							
Admission fees	2,443,368	--	--	2,443,368	--	--	2,443,368
Membership fees	581,377	--	--	581,377	--	--	581,377
Education and event program fees	208,100	--	--	208,100	--	--	208,100
Food services	--	637,619	--	637,619	--	--	637,619
Museum shop sales	377,714	--	--	377,714	--	--	377,714
Event rentals	170,358	--	--	170,358	--	--	170,358
Management fees	33,000	--	(33,000)	--	--	--	--
Rental income	192,900	--	(30,000)	162,900	--	--	162,900
Royalty income	--	--	--	--	--	--	--
Investment income	295,617	577	--	296,194	13,537	--	309,731
	<u>4,302,434</u>	<u>638,196</u>	<u>(63,000)</u>	<u>4,877,630</u>	<u>13,537</u>	<u>--</u>	<u>4,891,167</u>
Net assets released from restrictions	<u>32,200</u>	<u>--</u>	<u>--</u>	<u>32,200</u>	<u>(32,200)</u>	<u>--</u>	<u>--</u>
	<u>7,369,950</u>	<u>638,196</u>	<u>(63,000)</u>	<u>7,945,146</u>	<u>8,837</u>	<u>183,640</u>	<u>8,137,623</u>
Operating expenses							
Programs	4,721,766	--	--	4,721,766	--	--	4,721,766
Management and general	1,214,095	--	--	1,214,095	--	--	1,214,095
Fundraising	998,201	--	--	998,201	--	--	998,201
Auxiliary operations	663,389	783,173	(63,000)	1,383,562	--	--	1,383,562
	<u>7,597,451</u>	<u>783,173</u>	<u>(63,000)</u>	<u>8,317,624</u>	<u>--</u>	<u>--</u>	<u>8,317,624</u>
Change in net assets before income taxes	(227,501)	(144,977)	--	(372,478)	8,837	183,640	(180,001)
Benefit from income taxes	--	61,900	--	61,900	--	--	61,900
Change in net assets	(227,501)	(83,077)	--	(310,578)	8,837	183,640	(118,101)
Net assets - beginning of year	<u>27,349,024</u>	<u>(304,680)</u>	<u>--</u>	<u>27,044,344</u>	<u>32,200</u>	<u>--</u>	<u>27,076,544</u>
Net assets - end of year	<u>\$ 27,121,523</u>	<u>\$ (387,757)</u>	<u>\$ --</u>	<u>\$ 26,733,766</u>	<u>\$ 41,037</u>	<u>\$ 183,640</u>	<u>\$ 26,958,443</u>

See Independent Auditors' Report.

**Grounds For Sculpture, Inc. and Subsidiary
Consolidating Statements of Activities
Year Ended December 31, 2015**

	Grounds For Sculpture, Inc.		Eliminations	Total Unrestricted	Grounds For Sculpture, Inc. Temporarily Restricted		Total
	Unrestricted	GFSL, Inc.			Restricted	Restricted	
Operating activities							
Operating support and revenue							
Support							
Contributions and grants	\$ 2,937,255	\$ --	\$ --	\$ 2,937,255	\$ 32,200	\$ 2,969,455	
In-kind contributions	115,841	--	--	115,841	--	115,841	
Fundraising	111,526	--	--	111,526	--	111,526	
	<u>3,164,622</u>	<u>--</u>	<u>--</u>	<u>3,164,622</u>	<u>32,200</u>	<u>3,196,822</u>	
Revenue							
Admission fees	2,251,649	--	--	2,251,649	--	2,251,649	
Membership fees	454,986	--	--	454,986	--	454,986	
Education and event program fees	158,718	--	--	158,718	--	158,718	
Food services	--	6,544,625	--	6,544,625	--	6,544,625	
Museum shop sales	352,990	--	--	352,990	--	352,990	
Event rentals	193,120	--	--	193,120	--	193,120	
Management fees	125,000	--	(125,000)	--	--	--	
Rental income	120,000	--	(120,000)	--	--	--	
Royalty income	3,314	--	--	3,314	--	3,314	
Investment income	32,312	841	--	33,153	--	33,153	
	<u>3,692,089</u>	<u>6,545,466</u>	<u>(245,000)</u>	<u>9,992,555</u>	<u>--</u>	<u>9,992,555</u>	
Net assets released from restrictions	<u>232,089</u>	<u>--</u>	<u>--</u>	<u>232,089</u>	<u>(232,089)</u>	<u>--</u>	
	<u>7,088,800</u>	<u>6,545,466</u>	<u>(245,000)</u>	<u>13,389,266</u>	<u>(199,889)</u>	<u>13,189,377</u>	
Operating expenses							
Programs	4,274,264	--	--	4,274,264	--	4,274,264	
Management and general	1,110,530	--	--	1,110,530	--	1,110,530	
Fundraising	888,528	--	--	888,528	--	888,528	
Auxiliary operations	559,949	6,219,734	(245,000)	6,534,683	--	6,534,683	
	<u>6,833,271</u>	<u>6,219,734</u>	<u>(245,000)</u>	<u>12,808,005</u>	<u>--</u>	<u>12,808,005</u>	
Change in net assets before income taxes	255,529	325,732	--	581,261	(199,889)	381,372	
Provision for income taxes	--	(107,700)	--	(107,700)	--	(107,700)	
Change in net assets	255,529	218,032	--	473,561	(199,889)	273,672	
Net assets - beginning of year	<u>27,093,495</u>	<u>(522,712)</u>	<u>--</u>	<u>26,570,783</u>	<u>232,089</u>	<u>26,802,872</u>	
Net assets - end of year	<u>\$ 27,349,024</u>	<u>\$ (304,680)</u>	<u>\$ --</u>	<u>\$ 27,044,344</u>	<u>\$ 32,200</u>	<u>\$ 27,076,544</u>	

See Independent Auditors' Report.

Grounds For Sculpture, Inc. and Subsidiary
Consolidating Schedules of Functional Expenses
Year Ended December 31, 2016

	Grounds For Sculpture, Inc.						GFSL, Inc.		
	Program Services			Management and General	Fundraising	Total	Auxiliary Operations	Eliminations	Total
Art and Education Programs	Auxiliary Operations	Total Program Services							
Salaries	\$ 1,668,069	\$ 186,916	\$ 1,854,985	\$ 587,564	\$ 457,778	\$ 2,900,327	\$ 161,784	\$ --	\$ 3,062,111
Payroll taxes and benefits	357,043	37,358	394,401	140,465	92,175	627,041	90,137	--	717,178
Cost of goods sold	--	190,763	190,763	--	20	190,783	214,150	--	404,933
Occupancy	871,027	124,646	995,673	131,937	109,115	1,236,725	85,630	(30,000)	1,292,355
Insurance	142,211	10,684	152,895	31,247	12,264	196,406	15,270	--	211,676
Outside artistic services	631,267	--	631,267	150	7,325	638,742	2,380	--	641,122
Outside fees and services	101,499	2,355	103,854	78,903	13,247	196,004	83,122	(33,000)	246,126
Office and administrative	22,924	2,582	25,506	19,104	25,827	70,437	4,699	--	75,136
Travel and meetings	32,863	3,470	36,333	18,049	13,895	68,277	21	--	68,298
Credit card and bank fees	69,616	11,417	81,033	358	21,561	102,952	17,618	--	120,570
Program materials	110,595	14,020	124,615	1,801	58,838	185,254	65,794	--	251,048
Advertising and marketing	109,026	26	109,052	--	2,279	111,331	3,637	--	114,968
Openings	185	--	185	--	19,715	19,900	--	--	19,900
Printing and publications	108,944	691	109,635	1,405	44,664	155,704	--	--	155,704
Computer support and maintenance	49,861	16,029	65,890	46,476	12,032	124,398	1,820	--	126,218
Supplies and equipment rental	39,129	4,595	43,724	21,645	6,708	72,077	--	--	72,077
Gifts, meals and hospitality	27,427	1,152	28,579	20,075	20,035	68,689	--	--	68,689
Education and training	26,724	3,025	29,749	23,654	10,443	63,846	--	--	63,846
Depreciation and amortization	353,356	53,660	407,016	91,262	70,280	568,558	37,111	--	605,669
	<u>\$ 4,721,766</u>	<u>\$ 663,389</u>	<u>\$ 5,385,155</u>	<u>\$ 1,214,095</u>	<u>\$ 998,201</u>	<u>\$ 7,597,451</u>	<u>\$ 783,173</u>	<u>\$ (63,000)</u>	<u>\$ 8,317,624</u>

See Independent Auditors' Report.

Grounds For Sculpture, Inc. and Subsidiary
Consolidating Schedules of Functional Expenses
Year Ended December 31, 2015

	Grounds For Sculpture, Inc.					GFSL, Inc.			
	Program Services			Management and General	Fundraising	Total	Auxiliary Operations	Eliminations	Total
Art and Education Programs	Auxiliary Operations	Total Program Services							
Salaries	\$ 1,500,680	\$ 165,639	\$ 1,666,319	\$ 462,469	\$ 367,235	\$ 2,496,023	\$ 1,429,762	\$ --	\$ 3,925,785
Payroll taxes and benefits	311,799	33,120	344,919	116,678	84,780	546,377	485,123	--	1,031,500
Cost of goods sold	--	190,659	190,659	--	--	190,659	1,873,984	--	2,064,643
Occupancy	918,639	67,551	986,190	137,025	109,183	1,232,398	376,483	(120,000)	1,488,881
Insurance	114,012	14,678	128,690	33,649	12,006	174,345	65,373	--	239,718
Outside artistic services	418,524	125	418,649	650	10,661	429,960	8,639	--	438,599
Outside fees and services	202,662	--	202,662	116,976	14,125	333,763	1,303,953	(125,000)	1,512,716
Office and administrative	23,206	1,461	24,667	23,580	29,025	77,272	18,743	--	96,015
Travel and meetings	22,649	1,060	23,709	13,889	14,616	52,214	156	--	52,370
Credit card and bank fees	50,277	11,221	61,498	614	21,017	83,129	150,777	--	233,906
Program materials	76,181	8,290	84,471	354	49,484	134,309	441,400	--	575,709
Advertising and marketing	94,692	--	94,692	--	1,094	95,786	6,393	--	102,179
Openings	480	--	480	--	9,906	10,386	--	--	10,386
Printing and publications	64,069	204	64,273	2,421	52,071	118,765	--	--	118,765
Computer support and maintenance	53,173	9,729	62,902	63,054	12,954	138,910	14,599	--	153,509
Supplies and equipment rental	28,564	3,874	32,438	14,285	7,200	53,923	--	--	53,923
Gifts, meals and hospitality	14,597	60	14,657	14,845	12,204	41,706	--	--	41,706
Education and training	20,822	330	21,152	20,675	10,866	52,693	--	--	52,693
Depreciation and amortization	359,238	51,948	411,186	89,366	70,101	570,653	44,349	--	615,002
	<u>\$ 4,274,264</u>	<u>\$ 559,949</u>	<u>\$ 4,834,213</u>	<u>\$ 1,110,530</u>	<u>\$ 888,528</u>	<u>\$ 6,833,271</u>	<u>\$ 6,219,734</u>	<u>\$ (245,000)</u>	<u>\$ 12,808,005</u>

See Independent Auditors' Report.