



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

**GROUND FOR SCULPTURE, INC.**  
**Financial Statements**  
**December 31, 2024 and 2023**  
**With Independent Auditor's Reports**

**Grounds For Sculpture, Inc.**  
**Table of Contents**  
**December 31, 2024 and 2023**

---

<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Cash Flows	6
Statements of Functional Expenses	7-8
Notes to Financial Statements	9-21
<b>Supplementary Information</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22-23
Supplemental Schedule of Expenditures of State Financial Assistance and Notes to the Schedule of Expenditures of State Financial Assistance	24

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Grounds For Sculpture, Inc.:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Grounds For Sculpture, Inc. (the "Organization" or "GFS"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, 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.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of expenditures of state financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



March 25, 2025

**Grounds For Sculpture, Inc.**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,057,955	\$ 1,200,824
Investments	41,491,765	33,870,898
Contributions and grants receivable, net	3,862,818	4,018,389
Unconditional promise to give, donated facilities	236,533	315,376
Accounts receivable	244,188	229,969
Museum shop inventory	25,842	39,349
Prepaid expenses	70,382	325,507
Prepaid utility benefits	893,331	943,956
Prepaid production costs, net	152,561	29,153
Property and equipment, net	<u>19,860,527</u>	<u>20,272,665</u>
Total assets	<u>\$ 67,895,902</u>	<u>\$ 61,246,086</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 261,323	\$ 314,856
Accrued expenses	358,887	440,575
Deferred program revenue	226,372	238,614
Loan payable	232,315	440,535
Line of credit	950,000	950,000
Economic Injury Disaster Loan	<u>143,765</u>	<u>147,437</u>
Total liabilities	<u>2,172,662</u>	<u>2,532,017</u>
Net assets		
Without donor restrictions	24,912,763	24,978,828
With donor restrictions	<u>40,810,477</u>	<u>33,735,241</u>
Total net assets	<u>65,723,240</u>	<u>58,714,069</u>
Total liabilities and net assets	<u>\$ 67,895,902</u>	<u>\$ 61,246,086</u>

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

**Grounds For Sculpture, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue</b>			
Support			
Contributions of cash and other financial assets	\$ 1,251,142	\$ 3,737,967	\$ 4,989,109
Contributions of nonfinancial assets	24,993	-	24,993
Fundraising events	89,060	-	89,060
Total support	<u>1,365,195</u>	<u>3,737,967</u>	<u>5,103,162</u>
Revenue			
Admission fees	3,641,670	-	3,641,670
Membership fees	874,526	-	874,526
Education and event program fees	349,861	-	349,861
Museum shop sales	426,167	-	426,167
Event rentals	361,315	-	361,315
Food service fees	688,797	-	688,797
SREC revenue	144,605	-	144,605
Investment return, net	613,571	4,831,016	5,444,587
Gain of sale of property and equipment	108,570	-	108,570
Total revenue	<u>7,209,082</u>	<u>4,831,016</u>	<u>12,040,098</u>
Net assets released from restrictions	<u>1,493,747</u>	<u>(1,493,747)</u>	<u>-</u>
Total support and revenue	<u>10,068,024</u>	<u>7,075,236</u>	<u>17,143,260</u>
<b>Expenses</b>			
Program services			
Art and education programs	6,048,762	-	6,048,762
Auxiliary operations	1,172,429	-	1,172,429
Supporting services			
Management and general	1,598,488	-	1,598,488
Fundraising	1,314,410	-	1,314,410
Total expenses	<u>10,134,089</u>	<u>-</u>	<u>10,134,089</u>
<b>Changes in net assets</b>	(66,065)	7,075,236	7,009,171
<b>Net assets</b>			
Beginning of year	<u>24,978,828</u>	<u>33,735,241</u>	<u>58,714,069</u>
End of year	<u>\$ 24,912,763</u>	<u>\$ 40,810,477</u>	<u>\$ 65,723,240</u>

The Notes to Financial Statements are an integral part of this statement.

**Grounds For Sculpture, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue</b>			
Support			
Contributions of cash and other financial assets	\$ 1,726,376	\$ 254,093	\$ 1,980,469
Contributions of nonfinancial assets	27,141	394,219	421,360
Fundraising events	32,561	-	32,561
Total support	<u>1,786,078</u>	<u>648,312</u>	<u>2,434,390</u>
Revenue			
Admission fees	4,268,758	-	4,268,758
Membership fees	873,748	-	873,748
Employee retention tax credit income	372,893	-	372,893
Education and event program fees	286,140	-	286,140
Museum shop sales	505,528	-	505,528
Event rentals	266,975	-	266,975
Food service fees	714,969	-	714,969
SREC revenue	152,526	-	152,526
Investment return, net	643,541	3,637,275	4,280,816
Total revenue	<u>8,085,078</u>	<u>3,637,275</u>	<u>11,722,353</u>
Net assets released from restrictions	<u>748,720</u>	<u>(748,720)</u>	<u>-</u>
Total support and revenue	<u>10,619,876</u>	<u>3,536,867</u>	<u>14,156,743</u>
<b>Expenses</b>			
Program services			
Art and education programs	6,288,226	-	6,288,226
Auxiliary operations	1,167,931	-	1,167,931
Supporting services			
Management and general	1,550,648	-	1,550,648
Fundraising	1,287,089	-	1,287,089
Total expenses	<u>10,293,894</u>	<u>-</u>	<u>10,293,894</u>
<b>Changes in net assets</b>	325,982	3,536,867	3,862,849
<b>Net assets</b>			
Beginning of year	<u>24,652,846</u>	<u>30,198,374</u>	<u>54,851,220</u>
End of year	<u>\$ 24,978,828</u>	<u>\$ 33,735,241</u>	<u>\$ 58,714,069</u>

The Notes to Financial Statements are an integral part of this statement.

**Grounds For Sculpture, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>		
Changes in net assets	\$ 7,009,171	\$ 3,862,849
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	714,371	700,616
Realized and unrealized gains	(4,679,473)	(3,499,499)
Endowment fund contributions	(3,264,279)	(14,868,308)
Unconditional promise to give - donated facilities	78,843	(315,376)
Bad debt	2,437	-
Changes in operating assets and liabilities		
Contributions and grants receivable	155,571	14,746,934
Accounts receivable	(16,656)	48,107
Museum shop inventory	13,507	16,335
Prepaid expenses	255,125	(169,880)
Prepaid utility benefits	50,625	52,189
Prepaid production costs	(123,408)	243,413
Accounts payable	(53,533)	(94,588)
Accrued expenses	(81,688)	168,988
Deferred program revenue	(12,242)	25,106
Net cash provided by operating activities	<u>48,371</u>	<u>916,886</u>
<b>Investing activities</b>		
Purchase of investments	(7,947,316)	(33,934,478)
Proceeds from sale of investments	5,005,922	18,461,086
Purchase of property and equipment	(302,233)	(74,775)
Net cash used in investing activities	<u>(3,243,627)</u>	<u>(15,548,167)</u>
<b>Financing activities</b>		
Repayments of long-term debt	(211,892)	(205,127)
Endowment fund contributions	3,264,279	14,868,308
Net cash provided by financing activities	<u>3,052,387</u>	<u>14,663,181</u>
Net change in cash and cash equivalents	(142,869)	31,900
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,200,824</u>	<u>1,168,924</u>
End of year	<u>\$ 1,057,955</u>	<u>\$ 1,200,824</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	<u>\$ 13,716</u>	<u>\$ 26,679</u>

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



**Grounds For Sculpture, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2024**

	Program Services			Supporting Services			Total
	Art and Education Programs	Auxiliary Operations	Total Program Services	Management and General	Fundraising	Supporting Services Total	
Payroll	\$ 2,393,332	\$ 455,298	\$ 2,848,630	\$ 677,562	\$ 583,270	\$ 1,260,832	\$ 4,109,462
Payroll taxes and benefits	575,135	106,440	681,575	171,049	137,686	308,735	990,310
Cost of goods sold	-	178,053	178,053	-	-	-	178,053
Occupancy	1,065,232	198,701	1,263,933	195,306	124,471	319,777	1,583,710
Insurance	183,638	21,496	205,134	83,074	22,473	105,547	310,681
Outside artistic services	549,600	-	549,600	600	2,640	3,240	552,840
Outside fees and services	198,172	8,026	206,198	243,535	75,970	319,505	525,703
Office and administrative	1,734	1,122	2,856	3,820	60,476	64,296	67,152
Travel and meetings	16,865	527	17,392	12,591	4,834	17,425	34,817
Credit card and bank fees	131,548	16,616	148,164	1,056	32,985	34,041	182,205
Program materials	53,252	12,875	66,127	346	78,838	79,184	145,311
Advertising and marketing	230,974	13,000	243,974	-	6,491	6,491	250,465
Openings	-	-	-	-	30,688	30,688	30,688
Printing and publications	18,815	178	18,993	1,308	9,294	10,602	29,595
Computer support and maintenance	102,424	27,013	129,437	41,979	25,984	67,963	197,400
Supplies and equipment rental	22,842	41,232	64,074	12,531	213	12,744	76,818
Gifts, meals and hospitality	40,166	801	40,967	43,071	10,695	53,766	94,733
Education and training	15,084	1,568	16,652	20,831	6,139	26,970	43,622
Depreciation and amortization	449,949	89,483	539,432	76,113	98,826	174,939	714,371
Interest	-	-	-	13,716	-	13,716	13,716
Bad debt	-	-	-	-	2,437	2,437	2,437
	<u>\$ 6,048,762</u>	<u>\$ 1,172,429</u>	<u>\$ 7,221,191</u>	<u>\$ 1,598,488</u>	<u>\$ 1,314,410</u>	<u>\$ 2,912,898</u>	<u>\$ 10,134,089</u>

The Notes to Financial Statements are an integral part of this statement.

**Grounds For Sculpture, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

	Program Services			Supporting Services			Total
	Art and Education Programs	Auxiliary Operations	Total Program Services	Management and General	Fundraising	Supporting Services Total	
Payroll	\$ 2,294,984	\$ 435,341	\$ 2,730,325	\$ 656,597	\$ 571,856	\$ 1,228,453	\$ 3,958,778
Payroll taxes and benefits	495,009	101,698	596,707	167,663	132,737	300,400	897,107
Cost of goods sold	-	230,399	230,399	-	-	-	230,399
Occupancy	990,186	189,873	1,180,059	38,672	134,288	172,960	1,353,019
Insurance	166,776	19,177	185,953	54,540	20,746	75,286	261,239
Outside artistic services	1,067,553	10	1,067,563	-	4,862	4,862	1,072,425
Outside fees and services	123,330	632	123,962	372,110	36,238	408,348	532,310
Office and administrative	33,416	4,392	37,808	6,449	77,743	84,192	122,000
Travel and meetings	18,504	766	19,270	5,261	4,962	10,223	29,493
Credit card and bank fees	145,693	18,436	164,129	3,727	31,521	35,248	199,377
Program materials	63,755	11,763	75,518	1,065	54,912	55,977	131,495
Advertising and marketing	237,557	11,623	249,180	-	5,063	5,063	254,243
Openings	1,246	-	1,246	-	45,459	45,459	46,705
Printing and publications	19,204	1,292	20,496	1,912	15,074	16,986	37,482
Computer support and maintenance	86,278	26,382	112,660	41,151	28,389	69,540	182,200
Supplies and equipment rental	27,720	27,360	55,080	11,344	810	12,154	67,234
Gifts, meals and hospitality	50,695	477	51,172	23,884	10,929	34,813	85,985
Education and training	26,149	1,128	27,277	25,757	14,885	40,642	67,919
Depreciation and amortization	440,171	87,182	527,353	76,648	96,615	173,263	700,616
Interest	-	-	-	63,868	-	63,868	63,868
	<u>\$ 6,288,226</u>	<u>\$ 1,167,931</u>	<u>\$ 7,456,157</u>	<u>\$ 1,550,648</u>	<u>\$ 1,287,089</u>	<u>\$ 2,837,737</u>	<u>\$ 10,293,894</u>

The Notes to Financial Statements are an integral part of this statement.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

**1. ORGANIZATION AND PURPOSE**

Grounds For Sculpture, Inc. (“GFS”) 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, GFS 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, fundraising events, admissions income, and income from programs operated to promote GFS’s purpose.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of GFS have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require GFS to report information regarding their financial position and activities according to the following net asset classifications.

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the GFS. These net assets may be used at the discretion of GFS’ management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GFS or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Revenue Recognition**

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**Contributions**

GFS recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

Conditional contributions or 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 on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

**Contributed Nonfinancial Assets**

The Organization's policy is to recognize contributed professional services, facilities and other costs if the services, goods or facilities 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. Contributed nonfinancial asset donations of \$24,993 and \$421,360 were recorded for the years ended December 31, 2024 and 2023, respectively.

**Other Revenues**

Revenues without donor restrictions are obtained from the admission fees, food service, event rentals, sale of merchandise, fundraising events, and education and program fees. These revenues are recorded when the service is provided, or the merchandise is sold. Admission revenues are recorded when the tickets are sold, which is generally within a short time period as these tickets are normally used on the day of attendance or in advance with a specific time and date of eligible use. In addition, tickets purchased are nonrefundable upon purchase. Educational program fees are recorded as revenues on the date the program occurs. Merchandise sales are recorded as revenues upon transfer of the goods to the purchaser, with a very limited right of return. Rental revenues are recorded when the event has taken place. These revenues are used to offset program expenses as well as the cost of property and equipment acquisitions and management and general and development expenses. Educational program revenues, rental revenue and admission fees received in advance of their usage are classified as deferred program revenue in the statements of financial position.

Membership fees, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total fees paid and the exchange element. The Organization recognizes the exchange portion of membership fees as revenue over the membership period (which is normally one year from date of purchase), and the associated contribution revenue when received. Membership fees related to the exchange element of the transaction that carry member benefits that can be utilized in future periods have been recorded as deferred program revenue in the statements of financial position.

**Food Service Fees**

Food service fees are received under an operating agreement for the use of restaurant facilities and equipment, which expires in December 2034. The agreement contains an option whereby either party can terminate with 120 days written notice. The agreement calls for a base fee of 2%, and 12.5% of gross revenues from restaurant sales, private dining revenue, cafés, and outside catering sales. The food service income is received monthly under the terms of the agreement.

**Investments**

Investments, primarily consisting of equity securities, are stated at fair value. Investments in equity securities with readily determinable values are valued based on quoted market prices in active markets in which the securities are traded. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

**Museum Shop 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. Inventory is valued at the lower of cost or net realizable value. Costs are determined on a first-in, first-out basis.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

**Advertising**

Advertising is expensed in the period incurred. Advertising amounted to \$250,465 and \$254,243 for the years ended December 31, 2024 and 2023, respectively.

**Production Costs**

GFS has established a policy that production costs are capitalized at cost and are amortized over the estimated run of the production. In addition, if the production runs less than two weeks into the new fiscal year, all production costs are recognized in the current fiscal year. GFS had one substantial production that had production costs that crossed over December 31, 2024, and one substantial production that had production costs that crossed over December 31, 2023. For the years ended December 31, 2024 and 2023, net production costs were \$152,561 and \$29,153, 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 less accumulated depreciation. 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.

**Collection**

The collection consists 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. Collection items are acquired either through purchase or donations and are not capitalized. Purchases of collection items are recorded as decreases in net assets without donor restrictions.

GFS did not purchase artwork, during the years ended December 31, 2024 and 2023. Contributions of collection items are not recognized in the statements of activities and changes in net assets. Proceeds from deaccessions or insurance recoveries are reflected in the statements of activities and changes in net assets based on the absence or existence and nature of donor-imposed restrictions. There were no sales or deaccessions in 2024 or 2023.

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.

**Cash and Cash Equivalents**

Cash and cash equivalents are short term, highly liquid investments with an initial 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 financial statements.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

**Expense Allocation**

The cost of providing the various programs and activities has been summarized on a functional basis in the statements of activities and changes in net assets and detailed by natural classification in the statements of functional expenses. Expenses are directly charged to the program activities other than those that benefit multiple functions. The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of GFS. Those expenses include occupancy, computer support and maintenance, and insurance. Occupancy is allocated based on a square footage basis, computer support and maintenance are allocated based upon individual departmental users, and insurance is allocated based upon salaries. Expenses for the museum shop and event rentals are included in auxiliary operations in the statements of functional expenses.

**Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

GFS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for federal income taxes related to GFS.

There were no uncertain tax positions at December 31, 2024 and 2023. Additionally, GFS did not have any income tax related penalties or interest for the years covered by the financial statements.

**3. CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable consist of unconditional promises to give as follows at December 31:

	<u>2024</u>	<u>2023</u>
Contributions receivable	\$ 4,473,158	\$ 4,878,797
Less: Discount to present value at 5%	<u>(610,340)</u>	<u>(860,408)</u>
Contributions receivable, net	<u>\$ 3,862,818</u>	<u>\$ 4,018,389</u>

Contributions are expected to be collected as follows during the years ending December 31:

2025	\$ 912,543
2026	568,000
2027	522,500
2028	-
2029	-
Thereafter	<u>2,470,115</u>
	<u>\$ 4,473,158</u>

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**4. UNCONDITIONAL PROMISES TO GIVE, DONATED FACILITIES**

GFS has the use of office and education space under a lease which expires in December 2027. Fix rentals of \$1 are due annually. The value of the donated facilities of \$394,219 was recorded as an unconditional promise to give and contribution of non-financial asset revenue in the statement of activities in 2023 and is being amortized over the lease term. The value of the unconditional promise to give as of December 31, 2024 and 2023 is \$236,533 and \$315,376, respectively. Future amortization of the unconditional promise to give is: 2025- \$78,843; 2026 - \$78,843 and 2027 - \$78,847.

**5. RECURRING FAIR VALUE MEASUREMENTS**

GFS has provided fair value disclosure information for relevant assets in these financial statements. For applicable assets subject to this pronouncement, GFS will value such assets 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 using observable measurement criteria, including quoted market prices of similar assets 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). There has been no change in the valuation methodologies used for the years presented and there have been no transfers between levels. The following table summarizes assets which have been accounted for at fair value on a recurring basis as of December 31, 2024 and 2023 along with the basis for the determination of fair value:

	<b>2024</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Exchange traded funds				
Fixed income equities	\$ 7,304,991	\$ 7,304,991	\$ -	\$ -
International equities	3,476,765	3,476,765	-	-
Large Cap U.S. equities	22,386,372	22,386,372	-	-
Small/mid Cap U.S. equities	3,647,080	3,647,080	-	-
Common stock	122,198	122,198	-	-
Mutual funds - bond funds	4,081,852	4,081,852	-	-
	<u>41,019,258</u>	<u>\$ 41,019,258</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (a)	472,507			
	<u>\$ 41,491,765</u>			
	<b>2023</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Exchange traded funds				
Fixed income equities	\$ 6,185,006	\$ 6,185,006	\$ -	\$ -
International equities	3,197,448	3,197,448	-	-
Large Cap U.S. equities	19,252,366	19,252,366	-	-
Small/mid Cap U.S. equities	3,344,744	3,344,744	-	-
Common stock	263,290	263,290	-	-
Mutual funds - stock funds	1,205,967	1,205,967	-	-
	<u>33,448,821</u>	<u>\$ 33,448,821</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (a)	422,077			
	<u>\$ 33,870,898</u>			

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

(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 valued on a monthly basis to market based on the net asset value per share. There are no unfunded commitments. The redemption requirements state that 80% is available after the month end close in which the request was made. The remaining 20% is available 90 days after the end of the month requested. The investment strategy of the community foundation is to be able to distribute 5% of its long-term assets' average fair value and to maintain purchasing power of the long-term assets through growth.

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

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 773,238	\$ 789,558
Realized gains	483,938	177,484
Unrealized gains	4,195,535	3,322,015
Investment fees	<u>(8,124)</u>	<u>(8,241)</u>
	<u>\$ 5,444,587</u>	<u>\$ 4,280,816</u>

**6. PREPAID UTILITY BENEFITS**

In 2019, GFS contracted with a company ("Vendor") to construct a solar panel system on the roof of one of its buildings in order to produce electricity to be used by GFS in its operations. The parties executed a System Installation Agreement that is structured in the form of a power purchase agreement over a period of 20 years. The Vendor agreed to provide the production of electricity from the solar panel system over the 20-year period commencing in December 2019, in exchange for an upfront payment of \$1,156,000. The benefits attributed to the project, including Solar Renewable Energy Credits ("SREC") and reduced electricity costs, were passed along to GFS upon receipt of permission to operate by the utility. The agreement provides for a buyout of the solar panel system once the six-year period has elapsed at which time GFS would purchase the system for the fair value of the equipment less the unused prepaid utility benefits remaining at the time of the buyout. GFS amortizes the prepaid utility benefits over the six-year period using estimated usage.

Current and long-term portions of prepaid utility benefits are as follows:

	<u>2024</u>	<u>2023</u>
Prepaid utility benefits at December 31	\$ 893,331	\$ 943,956
Less: Current portion	<u>(90,229)</u>	<u>(82,406)</u>
Prepaid utility benefits, net of current portion	<u>\$ 803,102</u>	<u>\$ 861,550</u>

Prepaid utility benefits are expected to be realized as follows:

2025	\$ 90,229
2026	58,302
2027	58,157
2028	58,011
2029	43,684
Thereafter	<u>584,948</u>
	<u>\$ 893,331</u>



**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**7. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of December 31, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 1,057,955	\$ 1,200,824
Contributions and grants receivable	3,862,818	4,018,389
Accounts receivable	244,188	229,969
Investments	<u>41,491,765</u>	<u>33,870,898</u>
Total financial assets	46,656,726	39,320,080
Add: Unused line of credit availability	550,000	550,000
Less: Net assets with donor restrictions - financial assets	(40,573,944)	(33,419,865)
Less: Board restricted endowments	<u>(3,274,663)</u>	<u>(3,314,201)</u>
Total financial assets to meet cash needs for general expenditures within one year	<u>\$ 3,358,119</u>	<u>\$ 3,136,014</u>

GFS's policy is to have liquid resources on hand to meet general expenditures for a minimum period of four months. The Organization's cash flows have seasonal variations during the year attributable to admission fees and event fees. The amounts shown above in board restricted endowments are available for general expenditures with Board approval.

**8. PROPERTY AND EQUIPMENT**

Property and equipment at December 31 were comprised of the following:

<u>Description</u>	<u>Estimated Useful Life ( Years)</u>	<u>2024</u>	<u>2023</u>
Land	-	\$ 6,676,906	\$ 6,676,906
Buildings and site improvements	15-39	16,985,165	16,958,215
Furniture and equipment	5-15	1,966,825	1,697,696
Computer software and hardware	3-5	216,540	210,386
Vehicles	5	<u>126,471</u>	<u>126,471</u>
Total property and equipment, at cost		25,971,907	25,669,674
Less: Accumulated depreciation		<u>(6,111,380)</u>	<u>(5,397,009)</u>
Total property and equipment, net		<u>\$ 19,860,527</u>	<u>\$ 20,272,665</u>

Depreciation expense charged to operations amounted to \$714,371 and \$700,616 for the years ended December 31, 2024 and 2023, respectively.

**9. DEFERRED PROGRAM REVENUE**

GFS has deferred program revenue of \$226,372 and \$238,614 at December 31, 2024 and 2023, respectively. Deferred program 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.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

**10. LOAN PAYABLE**

During the year ended December 31, 2019, GFS entered into a loan for the installation of solar panels in the amount of \$1,200,000. The loan is for a 72 month period and carries an interest rate of 3.78%. Commencing July 2019 through October 2019, GFS was required to make interest only payments. Effective November 2019, GFS was required to make monthly payments of principal and interest in the amount of \$18,685. The loan originally matured on October 21, 2025, but due to COVID-19 the loan was postponed for three months during 2020. Due to this postponement, the maturity date was extended to January 19, 2026 and a single balloon payment of the unpaid principal and interest will be due on that date. On March 2, 2021, the loan was modified, decreasing the per annum interest rate to 2.75%. The loan is collateralized by the investments held by GFS that have neither a donor restriction nor board designation placed on them. The balance outstanding was \$232,315 and \$440,535 as of December 31, 2024 and 2023, respectively.

	<u>2024</u>	<u>2023</u>
Loan payable at December 31	\$ 232,315	\$ 440,535
Less: Current portion	<u>(214,166)</u>	<u>(208,253)</u>
Loan payable, net of current portion	<u>\$ 18,149</u>	<u>\$ 232,282</u>

Maturities of the loan payable for the years ending December 31, are as follows:

2025	\$ 214,166
2026	<u>18,149</u>
	<u>\$ 232,315</u>

**11. LINE OF CREDIT**

On March 15, 2021, the Organization entered into an unsecured loan (credit line) with The Atlantic Foundation for \$1,500,000, with an interest rate of 5%, compounded quarterly. The Organization was obligated to pay quarterly interest only payments, with the balance due on September 15, 2022.

On December 2, 2022, a loan modification was made by The Atlantic Foundation deferring the principal repayments to one-third due on March 31, June 30 and September 15, 2026 with forgiveness of interest from September 15, 2022 through September 15, 2026.

The outstanding balance as of December 31, 2024 and 2023 was \$950,000.

**12. SBA ECONOMIC INJURY DISASTER LOAN (“EIDL”)**

On July 2, 2020, GFS obtained an unsecured promissory note (the “EIDL Loan”) for \$150,000 through the Small Business Administration established under the Small Business Act and administered by the U.S. Small Business Administration (“SBA”). The EIDL Loan is collateralized by a secured interest in property owned by the Organization. The EIDL Loan was made through the SBA (the “Lender”), has a thirty-year term, bears interest at 2.75% per annum, and matures on July 2, 2051. Monthly principal and interest payments are deferred until 30 months after the date of the promissory note or July 2, 2023. The EIDL Loan may be prepaid at any time prior to maturity with no prepayment penalties. Accordingly, GFS has reflected the EIDL Loan as short and long-term debt in the accompanying statement of financial position.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Loan payable at December 31,	\$ 143,765	\$ 147,437
Less: Current portion	<u>(3,786)</u>	<u>(3,612)</u>
Loan payable, net of current portion	<u>\$ 139,979</u>	<u>\$ 143,825</u>

Maturities of the EIDL Loan are as follows for the years ending December 31, 2024:

2025	\$ 3,786
2026	3,892
2027	4,000
2028	4,111
2029	4,226
Thereafter	<u>123,750</u>
	<u>\$ 143,765</u>

**13. EMPLOYEE RETIREMENT PLAN**

All employees of the Organization 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, the Organization may make discretionary non-elective contributions as defined by the Plan. Effective January 1, 2022, employees that are participating in the Plan are eligible for a maximum annual contribution of up to 3% of their salary. A 2% profit sharing contribution is also available to employees who meet all plan eligibility requirements and are employed as of December 31. Discretionary annual employer contributions amounted to \$135,035 and \$125,240 for the years ended December 31, 2024 and 2023, respectively.

**14. CONTRIBUTED NONFINANCIAL ASSETS**

The Organization received contributed nonfinancial assets comprised of services received during the years ended December 31, 2024 and 2023 as follows:

<u>Nonfinancial Contributions Category</u>	<u>Type of Contribution</u>	<u>Valuation</u>	<u>2024</u>	<u>2023</u>
Occupancy	Lease - current year	Fair market value for similar lease	\$ -	\$ 78,843
Occupancy	Lease - subsequent years	Fair market value for similar lease	-	315,376
Horticulture	Landscaping	Donor provided fair market value	16,993	27,141
Facilities	Construction work	Donor provided fair market value	<u>8,000</u>	<u>-</u>
			<u>\$ 24,993</u>	<u>\$ 421,360</u>

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 financial statements, as they do not meet the criteria for recognition and were estimated for the years ended December 31, 2024 and 2023 as follows:

	<u>Hours</u>	<u>Value</u>
2024	11,408	\$ 172,604
2023	9,169	\$ 130,122

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**15. NET ASSETS**

Net assets were comprised of the following at December 31:

Detail of Net Assets	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Grounds For Sculpture, Inc.						
Operating	\$ 21,638,100	\$ -	\$ 21,638,100	\$ 21,664,627	\$ -	\$ 21,664,627
Board designated endowment	3,274,663	-	3,274,663	3,314,201	-	3,314,201
Time restricted - building and ground use	-	236,533	236,533	-	315,376	315,376
Purpose restricted for programs	-	481,307	481,307	-	154,723	154,723
Endowment fund	-	40,092,637	40,092,637	-	33,265,142	33,265,142
	<u>\$ 24,912,763</u>	<u>\$ 40,810,477</u>	<u>\$ 65,723,240</u>	<u>\$ 24,978,828</u>	<u>\$ 33,735,241</u>	<u>\$ 58,714,069</u>

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

	2024	2023
Purpose restrictions		
Community Access	\$ 10,000	\$ -
Endowment fund distributions	1,267,800	482,300
Education	36,241	19,163
Members lounge library	-	1,000
Exhibitions, conservation care, acquisitions	21,000	7,500
Events	2,500	-
Capacity building	76,500	130,000
Catering	863	4,914
Time restrictions		
Building and grounds lease	78,843	78,843
Time restricted for future periods	-	25,000
	<u>\$ 1,493,747</u>	<u>\$ 748,720</u>

**16. 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.

**Purpose**

The donor-endowed funds were established at GFS to provide stable and long-term support for its general operations allowing it to maintain the Park and the access to programs that attract a broad cross-section of the public to visit as well as to support exhibitions, conservation care, and acquisitions that will broaden and enrich the public experience of art at GFS.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

During the year ended December 31, 2020, The Atlantic Foundation, an unrelated party, granted funds to the Organization for the creation of the Seward and Cecelia Johnson Endowment and under the terms of the grant established that payments to the Organization will be paid out in installments. The first installment of \$5,000,000 was received in 2020. The remaining installments were dependent upon the Organization raising an additional \$5,000,000 in matching funds by December 1, 2022. The Organization met this challenge and 85% of the remaining corpus value of the GFS Fund as of February 28, 2023 of \$16,470,000 was distributed to GFS on March 30, 2023. The remaining corpus of the GFS Fund will be distributed to GFS by December 31, 2030. The funds received during the years ended December 31, 2024 and 2023 have been included with the existing donor restricted endowment funds. As of December 31, 2024 and 2023, gross contribution receivables (excluding a discount to present value) included in contributions and grants receivable on the statements of financial position related to the endowment were \$4,154,617 and \$4,779,760, respectively.

**Interpretation of Relevant Law**

The Board of Directors of GFS 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, GFS classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund. Net assets are appropriated for expenditure by GFS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, GFS 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 GFS 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 GFS, and (7) GFS' 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**

GFS 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. This policy enables GFS to preserve and strengthen its endowment for the future.

**Investment Return**

Investment return is accumulated in net assets with donor restrictions until appropriated for expenditure.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Net Asset Composition**

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Endowment net assets, January 1, 2022</b>	\$ 3,741,855	\$ 29,930,982	\$ 33,672,837
Investment return	(230,654)	3,637,275	3,406,621
Contributions, net of discount	-	179,185	179,185
Amounts appropriated for expenditure	<u>(197,000)</u>	<u>(482,300)</u>	<u>(679,300)</u>
<b>Endowment net assets, December 31, 2023</b>	3,314,201	33,265,142	36,579,343
Investment return	482,762	4,831,016	5,313,778
Contributions, net of discount	-	3,264,279	3,264,279
Amounts appropriated for expenditure	<u>(522,300)</u>	<u>(1,267,800)</u>	<u>(1,790,100)</u>
<b>Endowment net assets, December 31, 2024</b>	<u>\$ 3,274,663</u>	<u>\$ 40,092,637</u>	<u>\$ 43,367,300</u>
<b>Investment by type of fund</b>	<b>2024</b>		
Donor restricted "true" endowment			
Historical gift value	\$ -	\$ 33,591,005	\$ 33,591,005
Appreciation and cumulative unappropriated earnings	-	6,501,632	6,501,632
Board designated "funds" functioning as endowment	<u>3,274,663</u>	<u>-</u>	<u>3,274,663</u>
	<u>\$ 3,274,663</u>	<u>\$ 40,092,637</u>	<u>\$ 43,367,300</u>
	<b>2023</b>		
Donor restricted "true" endowment			
Historical gift value	\$ -	\$ 30,326,734	\$ 30,326,734
Appreciation and cumulative unappropriated earnings	-	2,938,408	2,938,408
Board designated "funds" functioning as endowment	<u>3,314,201</u>	<u>-</u>	<u>3,314,201</u>
	<u>\$ 3,314,201</u>	<u>\$ 33,265,142</u>	<u>\$ 36,579,343</u>

**17. CONCENTRATIONS**

GFS has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the GFS' financial condition, changes in net assets, and cash flows.

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 financial statements for any amounts considered uncollectible. This limits GFS's exposure to credit risk. For the years ended December 31, 2024 and 2023, GFS did not record an allowance.

**Grounds For Sculpture, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

---

GFS has received revenue from one donor that amounted to 26%, and one donor that amounted to 9% of total revenue for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, GFS had contribution receivable balances from the same two donors that amounted to 87% and 90% of total receivables, respectively. GFS received contributions totaling approximately \$105,966 and \$112,482 from members of the board of trustees for the years ended December 31, 2024 and 2023, respectively.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the market decline, and that such changes could materially affect the amount reported in GFS' statements of financial position.

GFS has investment holdings in two equity securities that amounted to 70%, and two equity securities that amounted to 70%, of total investments for the years ended December 31, 2024 and 2023, respectively.

**18. SUBSEQUENT EVENTS**

GFS has evaluated subsequent events occurring after the statement of financial position date through March 25, 2025, the date the financial statements were available to be issued. Based upon this evaluation, GFS has determined that there are no subsequent events that have occurred which require adjustment to or disclosure in the financial statements.

## **SUPPLEMENTARY INFORMATION**



## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Grounds For Sculpture, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of Grounds For Sculpture, Inc. (the “Organization” or “GFS”), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to financial statements and have issued our report thereon dated March 25, 2025.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*WithumSmith+Brown, PC*

March 25, 2025

**Grounds For Sculpture, Inc.**  
**Supplemental Schedule of Expenditures of State Financial Assistance and Notes to the**  
**Schedule of Expenditures of State Financial Assistance**  
**December 31, 2024**

---

<u>State Grantor / Program Title</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Current Year Expenditures</u>	<u>Contract Expenditures to Date</u>
State of New Jersey Department of State New Jersey State Council on the Arts General Operating Support	C-2505X010002	07/01/2024 - 06/30/2025	\$ 288,890 <u>\$ 288,890</u>	\$ 288,890 <u>\$ 288,890</u>

**Note A – BASIS OF PRESENTATION**

The supplemental schedule of expenditures of state financial assistance (the “Schedule”) includes the state grant activity of Grounds for Sculpture, Inc. under programs of the state government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of *Government Auditing Standards*. Because the Schedule presents only a selected portion of the operations of Grounds for Sculpture, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Grounds for Sculpture, Inc.

**Note B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting.