

**MUSEUM OF ARTS AND DESIGN**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2016 AND 2015**

**MUSEUM OF ARTS AND DESIGN**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
Museum of Arts and Design

We have audited the accompanying financial statements of Museum of Arts and Design (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

**Opinion**

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

*Lotz + Carr, LLP*

New York, New York  
June 8, 2017

## MUSEUM OF ARTS AND DESIGN

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016 WITH COMPARATIVE TOTALS FOR 2015

	2016						2015 Total	
	Operating	Property and Equipment/ Capital Campaign	Board Designated Endowment	Total	Temporarily Restricted	Permanently Restricted		Total
<b>Assets</b>								
Cash and cash equivalents (Notes 1b and 3a)	\$1,527,619	\$ 398,220	\$ 100,000	\$ 2,025,839	\$ 6,386	\$ -	\$ 2,032,225	\$ 1,663,077
Unconditional promises to give (Notes 1c and 4)								
Unrestricted, less allowance for uncollectible pledges	67,365	-	-	67,365	-	-	67,365	52,985
Capital campaign	-	-	-	-	-	-	-	125,364
Restricted to future programs	-	-	-	-	494,623	-	494,623	638,975
Accounts receivable	169,042	-	-	169,042	14,841	-	183,883	202,600
Museum store inventory (Note 1h)	452,091	-	-	452,091	-	-	452,091	340,246
Prepaid expenses and other current assets	205,121	-	-	205,121	-	-	205,121	162,973
Investments - endowment (Notes 1d, 5 and 6)	-	-	579,426	579,426	1,550,007	10,321,361	12,450,794	11,899,279
Property and equipment, at cost, net of accumulated depreciation (Notes 1e and 7)	-	70,950,016	-	70,950,016	-	-	70,950,016	72,998,819
Collection (Note 1g)	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$2,421,238</b>	<b>\$71,348,236</b>	<b>\$ 679,426</b>	<b>\$74,448,900</b>	<b>\$ 2,065,857</b>	<b>\$10,321,361</b>	<b>\$86,836,118</b>	<b>\$88,084,318</b>
<b>Liabilities and Net Assets</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 846,540	\$ 664	\$ -	\$ 847,204	\$ -	\$ -	\$ 847,204	\$ 565,171
Refundable advances and deferred revenue	2,000	-	-	2,000	-	-	2,000	2,000
Deferred rent liability (Note 1i)	83,205	-	-	83,205	-	-	83,205	70,593
Interfund (receivable) payable	1,364,785	(100,000)	(200,000)	1,064,785	(1,064,785)	-	-	-
Total Liabilities	2,296,530	(99,336)	(200,000)	1,997,194	(1,064,785)	-	932,409	637,764
Commitments and Contingencies (Notes 8, 9 and 12)								
<b>Net Assets</b>								
Unrestricted								
Property and equipment	-	71,447,572	-	71,447,572	-	-	71,447,572	73,235,544
Board Designated Endowment (Note 2a)	-	-	879,426	879,426	-	-	879,426	862,764
Operations	124,708	-	-	124,708	-	-	124,708	228,419
Total Unrestricted	124,708	71,447,572	879,426	72,451,706	-	-	72,451,706	74,326,727
Temporarily restricted (Note 2b)	-	-	-	-	3,130,642	-	3,130,642	2,809,466
Permanently restricted (Note 2c)	-	-	-	-	-	10,321,361	10,321,361	10,310,361
Total Net Assets	124,708	71,447,572	879,426	72,451,706	3,130,642	10,321,361	85,903,709	87,446,554
<b>Total Liabilities and Net Assets</b>	<b>\$2,421,238</b>	<b>\$71,348,236</b>	<b>\$ 679,426</b>	<b>\$74,448,900</b>	<b>\$ 2,065,857</b>	<b>\$10,321,361</b>	<b>\$86,836,118</b>	<b>\$88,084,318</b>

See notes to financial statements.

**MUSEUM OF ARTS AND DESIGN**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

	2015						
	Unrestricted			Total	Temporarily Restricted	Permanently Restricted	Total
Operating	Property and Equipment/ Capital Campaign	Board Designated Endowment					
<b>Assets</b>							
Cash and cash equivalents (Notes 1b and 3a)	\$1,586,621	\$ 11,361	\$ -	\$ 1,597,982	\$ 65,095	\$ -	\$ 1,663,077
Unconditional promises to give (Notes 1c and 4)							
Unrestricted, less allowance for uncollectible pledges	52,985	-	-	52,985	-	-	52,985
Capital campaign	-	125,364	-	125,364	-	-	125,364
Restricted to future programs	-	-	-	-	637,975	1,000	638,975
Accounts receivable	182,059	-	-	182,059	20,541	-	202,600
Museum store inventory (Note 1h)	340,246	-	-	340,246	-	-	340,246
Prepaid expenses and other current assets	162,973	-	-	162,973	-	-	162,973
Investments - endowment (Notes 1d, 5 and 6)	-	-	462,764	462,764	1,127,154	10,309,361	11,899,279
Property and equipment, at cost, net of accumulated depreciation (Notes 1e and 7)	-	72,998,819	-	72,998,819	-	-	72,998,819
Collection (Note 1g)	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$2,324,884</b>	<b>\$73,135,544</b>	<b>\$ 462,764</b>	<b>\$75,923,192</b>	<b>\$ 1,850,765</b>	<b>\$10,310,361</b>	<b>\$88,084,318</b>
<b>Liabilities and Net Assets</b>							
Liabilities							
Accounts payable and accrued expenses	\$ 565,171	\$ -	\$ -	\$ 565,171	\$ -	\$ -	\$ 565,171
Refundable advances and deferred revenue	2,000	-	-	2,000	-	-	2,000
Deferred rent liability (Note 1i)	70,593	-	-	70,593	-	-	70,593
Interfund (receivable) payable	1,458,701	(100,000)	(400,000)	958,701	(958,701)	-	-
Total Liabilities	2,096,465	(100,000)	(400,000)	1,596,465	(958,701)	-	637,764
Commitments and Contingencies (Notes 8, 9 and 12)							
Net Assets							
Unrestricted							
Property and equipment	-	73,235,544	-	73,235,544	-	-	73,235,544
Board Designated Endowment (Note 2a)	-	-	862,764	862,764	-	-	862,764
Operations	228,419	-	-	228,419	-	-	228,419
Total Unrestricted	228,419	73,235,544	862,764	74,326,727	-	-	74,326,727
Temporarily restricted (Note 2b)	-	-	-	-	2,809,466	-	2,809,466
Permanently restricted (Note 2c)	-	-	-	-	-	10,310,361	10,310,361
Total Net Assets	228,419	73,235,544	862,764	74,326,727	2,809,466	10,310,361	87,446,554
<b>Total Liabilities and Net Assets</b>	<b>\$2,324,884</b>	<b>\$73,135,544</b>	<b>\$ 462,764</b>	<b>\$75,923,192</b>	<b>\$ 1,850,765</b>	<b>\$10,310,361</b>	<b>\$88,084,318</b>

See notes to financial statements.

## MUSEUM OF ARTS AND DESIGN

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016 WITH COMPARATIVE TOTALS FOR 2015

	2016						2015 Total	
	Operating	Property and Equipment/ Capital Campaign	Board Designated Endowment	Total	Temporarily Restricted	Permanently Restricted		Total
<b>Revenues, Gains and Other Support (Note 3b)</b>								
Contributions - capital campaign	\$ -	\$ 450,000	\$ -	\$ 450,000	\$ -	\$ -	\$ 450,000	\$ 11,046
Contributions	2,923,853	-	-	2,923,853	969,365	11,000	3,904,218	3,783,473
Donated services (Note 10)	75,264	-	-	75,264	-	-	75,264	115,075
	2,999,117	450,000	-	3,449,117	969,365	11,000	4,429,482	3,909,594
Special events income	2,853,129	-	-	2,853,129	-	-	2,853,129	2,351,955
Less: Direct expenses	(427,179)	-	-	(427,179)	-	-	(427,179)	(450,270)
Merchandise sales	2,761,613	-	-	2,761,613	-	-	2,761,613	2,812,375
Less: Cost of sales, including payments to artists	(1,344,042)	-	-	(1,344,042)	-	-	(1,344,042)	(1,298,851)
Museum admission fees	664,872	-	-	664,872	-	-	664,872	773,651
Membership and support group dues	567,767	-	-	567,767	-	-	567,767	606,807
Member trips	6,875	-	-	6,875	-	-	6,875	15,700
Travel exhibition fees, net of direct expenses	129,672	-	-	129,672	-	-	129,672	177,173
Education lectures, workshops and other income	22,845	-	-	22,845	-	-	22,845	67,998
Rental income (Note 9b)	918,553	-	-	918,553	-	-	918,553	896,056
Net investment income (loss) (Note 5)	(17,954)	190	39,255	21,491	973,535	-	995,026	(207,571)
	9,135,268	450,190	39,255	9,624,713	1,942,900	11,000	11,578,613	9,654,617
Investment income appropriated to operations (Notes 2a and 2b)	575,000	-	(22,593)	552,407	(552,407)	-	-	-
Return of prior year grant	-	-	-	-	(75,000)	-	(75,000)	-
Net assets released from restrictions	994,317	-	-	994,317	(994,317)	-	-	-
<b>Total Revenues, Gains and Other Support</b>	<b>10,704,585</b>	<b>450,190</b>	<b>16,662</b>	<b>11,171,437</b>	<b>321,176</b>	<b>11,000</b>	<b>11,503,613</b>	<b>9,654,617</b>
<b>Expenses</b>								
Program Services								
Exhibitions	4,240,265	1,690,297	-	5,930,562	-	-	5,930,562	5,654,354
Curatorial	742,710	-	-	742,710	-	-	742,710	800,490
Education and other	2,710,510	211,287	-	2,921,797	-	-	2,921,797	3,055,271
Total Program Services	7,693,485	1,901,584	-	9,595,069	-	-	9,595,069	9,510,115
Supporting Services								
Administration	1,242,253	211,287	-	1,453,540	-	-	1,453,540	1,330,229
Membership and development	1,846,932	-	-	1,846,932	-	-	1,846,932	1,517,660
Capital campaign	-	131,870	-	131,870	-	-	131,870	4,301
Total Supporting Services	3,089,185	343,157	-	3,432,342	-	-	3,432,342	2,852,190
<b>Total Expenses</b>	<b>10,782,670</b>	<b>2,244,741</b>	<b>-</b>	<b>13,027,411</b>	<b>-</b>	<b>-</b>	<b>13,027,411</b>	<b>12,362,305</b>
Increase (Decrease) in Net Assets from Operations Before Changes Related to Collection Items Not Capitalized	(78,085)	(1,794,551)	16,662	(1,855,974)	321,176	11,000	(1,523,798)	(2,707,688)
Changes in net assets related to collection items not capitalized								
Collection items purchased (Note 1g)	(19,047)	-	-	(19,047)	-	-	(19,047)	(5,850)
Increase (Decrease) in Net Assets from Operations	(97,132)	(1,794,551)	16,662	(1,875,021)	321,176	11,000	(1,542,845)	(2,713,538)
Interfund appropriation for property and equipment	(6,579)	6,579	-	-	-	-	-	-
Increase (decrease) in net assets	(103,711)	(1,787,972)	16,662	(1,875,021)	321,176	11,000	(1,542,845)	(2,713,538)
Net assets, beginning of year	228,419	73,235,544	862,764	74,326,727	2,809,466	10,310,361	87,446,554	90,160,092
<b>Net Assets, End of Year</b>	<b>\$ 124,708</b>	<b>\$71,447,572</b>	<b>\$ 879,426</b>	<b>\$72,451,706</b>	<b>\$ 3,130,642</b>	<b>\$10,321,361</b>	<b>\$85,903,709</b>	<b>\$87,446,554</b>

See notes to financial statements.

**MUSEUM OF ARTS AND DESIGN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2015**

	2015						
	Operating	Property and Equipment/ Capital Campaign	Board Designated Endowment	Total	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains and Other Support (Note 3b)</b>							
Contributions - capital campaign	\$ -	\$ 11,046	\$ -	\$ 11,046	\$ -	\$ -	\$ 11,046
Contributions	2,804,730	-	-	2,804,730	977,443	1,300	3,783,473
Donated services (Note 10)	115,075	-	-	115,075	-	-	115,075
	<u>2,919,805</u>	<u>11,046</u>	<u>-</u>	<u>2,930,851</u>	<u>977,443</u>	<u>1,300</u>	<u>3,909,594</u>
Special events income	2,351,955	-	-	2,351,955	-	-	2,351,955
Less: Direct expenses	(450,270)	-	-	(450,270)	-	-	(450,270)
Merchandise sales	2,812,375	-	-	2,812,375	-	-	2,812,375
Less: Cost of sales, including payments to artists	(1,298,851)	-	-	(1,298,851)	-	-	(1,298,851)
Museum admission fees	773,651	-	-	773,651	-	-	773,651
Membership and support group dues	606,807	-	-	606,807	-	-	606,807
Member trips	15,700	-	-	15,700	-	-	15,700
Travel exhibition fees, net of direct expenses	177,173	-	-	177,173	-	-	177,173
Education lectures, workshops and other income	67,398	600	-	67,998	-	-	67,998
Rental income (Note 9b)	896,056	-	-	896,056	-	-	896,056
Net investment income (loss) (Note 5)	(400)	7	(7,616)	(8,009)	(199,562)	-	(207,571)
	<u>8,871,399</u>	<u>11,653</u>	<u>(7,616)</u>	<u>8,875,436</u>	<u>777,881</u>	<u>1,300</u>	<u>9,654,617</u>
Investment income appropriated to operations (Notes 2a and 2b)	575,000	-	(22,595)	552,405	(552,405)	-	-
Net assets released from restrictions	661,528	-	-	661,528	(661,528)	-	-
<b>Total Revenues, Gains and Other Support</b>	<u>10,107,927</u>	<u>11,653</u>	<u>(30,211)</u>	<u>10,089,369</u>	<u>(436,052)</u>	<u>1,300</u>	<u>9,654,617</u>
<b>Expenses</b>							
Program Services							
Exhibitions	3,710,903	1,943,451	-	5,654,354	-	-	5,654,354
Curatorial	800,490	-	-	800,490	-	-	800,490
Education and other	2,812,339	242,932	-	3,055,271	-	-	3,055,271
<b>Total Program Services</b>	<u>7,323,732</u>	<u>2,186,383</u>	<u>-</u>	<u>9,510,115</u>	<u>-</u>	<u>-</u>	<u>9,510,115</u>
Supporting Services							
Administration	1,087,297	242,932	-	1,330,229	-	-	1,330,229
Membership and development	1,517,660	-	-	1,517,660	-	-	1,517,660
Capital campaign	-	4,301	-	4,301	-	-	4,301
<b>Total Supporting Services</b>	<u>2,604,957</u>	<u>247,233</u>	<u>-</u>	<u>2,852,190</u>	<u>-</u>	<u>-</u>	<u>2,852,190</u>
<b>Total Expenses</b>	<u>9,928,689</u>	<u>2,433,616</u>	<u>-</u>	<u>12,362,305</u>	<u>-</u>	<u>-</u>	<u>12,362,305</u>
Increase (Decrease) in Net Assets Before Changes Related to Collection Items Not Capitalized	179,238	(2,421,963)	(30,211)	(2,272,936)	(436,052)	1,300	(2,707,688)
Changes in net assets related to collection items not capitalized Collection items purchased (Note 1g)	(5,850)	-	-	(5,850)	-	-	(5,850)
Increase (decrease) in net assets	173,388	(2,421,963)	(30,211)	(2,278,786)	(436,052)	1,300	(2,713,538)
Net assets, beginning of year	55,031	75,657,507	892,975	76,605,513	3,245,518	10,309,061	90,160,092
<b>Net Assets, End of Year</b>	<u>\$ 228,419</u>	<u>\$73,235,544</u>	<u>\$ 862,764</u>	<u>\$74,326,727</u>	<u>\$ 2,809,466</u>	<u>\$10,310,361</u>	<u>\$87,446,554</u>

See notes to financial statements.



## MUSEUM OF ARTS AND DESIGN

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Flows From Operating Activities</b>		
Decrease in net assets	\$(1,542,845)	\$(2,713,538)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Bad debt expense	125,364	75,000
Depreciation and amortization	2,112,871	2,429,315
Net realized (gain) loss on sale of investments	70,684	(1,824,269)
Net unrealized (gain) loss on investments	(796,625)	2,321,870
Endowment contributions	(12,000)	(1,300)
Capital campaign contributions received	(450,000)	-
Deferred rent	12,612	70,593
(Increase) decrease in:		
Unconditional promises to give	129,972	100,239
Accounts receivable	18,717	(21,961)
Museum store inventory	(111,845)	(22,934)
Prepaid expenses and other current assets	(42,148)	9,068
Increase (decrease) in accounts payable and accrued expenses	281,369	(28,977)
Net Cash Provided (Used) By Operating Activities	<u>(203,874)</u>	<u>393,106</u>
<b>Cash Flows From Investing Activities</b>		
Payments for purchase of fixed assets	(63,404)	(9,515)
Purchase of investments	(2,032,968)	(9,145,848)
Proceeds from sale of investments	2,207,394	9,438,946
Net Cash Provided By Investing Activities	<u>111,022</u>	<u>283,583</u>
<b>Cash Flows From Financing Activities</b>		
Endowment contributions received	12,000	1,300
Capital campaign contributions received	450,000	-
Borrowings under line of credit	-	145,000
Repayments of line of credit	-	(145,000)
Net Cash Provided By Financing Activities	<u>462,000</u>	<u>1,300</u>
Net increase in cash and cash equivalents	369,148	677,989
Cash and cash equivalents, beginning of year	<u>1,663,077</u>	<u>985,088</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,032,225</u>	<u>\$ 1,663,077</u>
<b>Supplemental Disclosure</b>		
Interest paid	<u>\$ 3,200</u>	<u>\$ 4,217</u>

See notes to financial statements.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 1 - Museum and Summary of Significant Accounting Policies**

a - Museum

The Museum of Arts and Design (the "Museum") collects, displays and interprets objects that document contemporary and historic innovation in craft, art and design. In its exhibitions and educational programs, the Museum celebrates the creative process through which materials and process are brought to bear to create artistic works that enhance contemporary life.

The Museum is ideally situated 2 Columbus Circle at the southwest corner of Central Park where major public transportation services converge and serves over 250,000 visitors annually.

The Museum offers the visiting public four full floors of gallery space, artist studios and a student classroom, a 145 seat theater, a destination store focused on objects created by artists from around the world and a 9<sup>th</sup> floor restaurant, Robert, with a view of Central Park.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Museum considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be cash equivalents, except for those short-term investments managed by the Museum's investment managers as part of their long-term investment strategies.

c - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Museum, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Museum uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

d - Investments

The Museum reflects investments at fair value in the statement of financial position. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same fiscal year in which the gains and other investment income are recognized.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 1 - Museum and Summary of Significant Accounting Policies (continued)**

d - Investments (continued)

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Museum. Unobservable inputs reflect the Museum's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Museum has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

e - Property and Equipment

Property and equipment are reported at cost, or if donated, at the fair market value at date of receipt. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

f - Financial Statement Presentation

The Museum reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

g - Art Collection

The Museum maintains a collection of works of contemporary art objects. A description of the contents of the permanent collection is maintained by the registrar. The Museum has insurance coverage for items on its premises, in storage, in transit and on loan at other locations.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 1 - Museum and Summary of Significant Accounting Policies (continued)**

g - Art Collection (continued)

The value of the collection, which was acquired through purchases and contributions since the Museum's inception, is not reflected as an asset on the statement of financial position. Purchases of collection items are expensed in the year of acquisition. Contributions of collection items are not recognized in the statement of activities. Proceeds from deaccessions or insurance recoveries are reflected on the statement of activities based on the absence or existence and nature of donor-imposed restrictions. There were no deaccessions for 2016 or 2015. Numerous works were also donated to the permanent collection in 2016 and 2015.

The collection is held for public service rather than financial gain, protected and preserved, and subject to an organizational policy that requires the proceeds from sales of such items to be used to acquire other items for collections.

h - Museum Store Inventory

The Museum's store inventory consists of objects created by artists from around the world, as well as publications and other objects, and is stated at the lower of cost, as determined by the first-in, first-out method, or market. The Museum's store sales also consist of artists' works held on consignment which are not included in inventory.

i - Deferred Rent

The Museum records rent expense associated with its storage space lease on a straight-line basis over the life of the lease (see Note 9a). The difference between the straight-line amount and amounts paid in accordance with the terms of its lease is recorded as a liability and an expense in the accompanying financial statements.

j - Advertising Costs

Advertising costs are charged to operations when the advertising first takes place. Advertising expense incurred during the years ended December 31, 2016 and 2015 was \$336,308 and \$318,656, respectively.

k - Use of Estimates

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

l - Subsequent Events

The Museum has evaluated subsequent events through June 8, 2017, the date that the financial statements are considered available to be issued.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 1 - Museum and Summary of Significant Accounting Policies (continued)**

m - Tax Status

Museum of Arts and Design is a not-for-profit Museum exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**Note 2 - Restrictions on Assets**

a - Board Designated Endowment

The Museum's Board Designated Endowment was established with a grant from the National Endowment for the Arts, and accumulated investment income earned thereon, which was subsequently released from restriction by the donor. For 2016 and 2015, \$22,593 and \$22,595, respectively, was appropriated to operations pursuant to the Museum's spending policy. Cumulative outstanding borrowings at December 31, 2016 and 2015 totaled \$200,000 and \$400,000, respectively.

b - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following future purposes:

	<u>2016</u>	<u>2015</u>
Accumulated endowment investment earnings (net of accrued investment fees)	\$1,564,848	\$1,144,571
Future exhibitions, projects and operations	1,430,600	1,550,655
Permanent collection acquisitions	<u>135,194</u>	<u>114,240</u>
	<u>\$3,130,642</u>	<u>\$2,809,466</u>

For 2016 and 2015, \$552,407 and \$552,405, respectively, was released from restriction in accordance with the Museum's spending policy for use in programs and operations.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 2 - Restrictions on Assets (continued)**

c - Permanently Restricted Net Assets

Permanently restricted net assets consist of restricted endowment contributions which require that the principal be retained and only the income be used for programs of the Museum. These endowments as of December 31 are summarized as follows:

	<u>2016</u>	<u>2015</u>
General program activities	\$ 9,146,361	\$ 9,135,361
Education programs	1,050,000	1,050,000
Ceramic works acquisition	75,000	75,000
Curatorial programs	<u>50,000</u>	<u>50,000</u>
	<u>\$10,321,361</u>	<u>\$10,310,361</u>

**Note 3 - Concentrations**

- a - The Museum maintains its cash and cash equivalents at two financial institutions in New York. Certain cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.
- b - In 2016, contributions from three donors totaled approximately 39% of operating contributions and contributions from three donors totaled approximately 89% of capital campaign contributions. In 2015, contributions from four donors totaled approximately 34% of operating contributions and contributions from three donors totaled approximately 36% of temporarily restricted contributions.

**Note 4 - Unconditional Promises to Give**

Unconditional promises to give are due as follows:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 428,157	\$ 512,800
Due in one to five years	<u>148,999</u>	<u>360,000</u>
	577,156	872,800
Less: Discount to present value	(8,553)	(48,861)
Less: Allowance for uncollectible pledges	<u>(6,615)</u>	<u>(6,615)</u>
	<u>\$ 561,988</u>	<u>\$ 817,324</u>

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 4 - Unconditional Promises to Give (continued)**

Unconditional promises to give due after one year are reflected at present value of estimated future cash flows using discount rates ranging from 3 to 5%.

**Note 5 - Investments**

Investments are reflected at fair value and are summarized as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds and invested cash	\$ 1,057,567	\$ 1,057,567	\$ 201,217	\$ 201,217
Exchange traded funds	9,829,548	9,823,562	9,829,548	9,128,925
Corporate obligations	1,496,742	1,486,751	2,598,202	2,486,223
Restricted preferred stock	<u>59,756</u>	<u>82,914</u>	<u>59,756</u>	<u>82,914</u>
	<u>\$12,443,613</u>	<u>\$12,450,794</u>	<u>\$12,688,723</u>	<u>\$11,899,279</u>

Marketable securities are reported on the basis of quoted market values. The value of the restricted preferred stock is estimated by the Museum based on information about the company and its financial performance.

The following schedule summarizes the net investment return for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 277,959	\$ 319,583
Net realized gain (loss) on sale of investments	<u>(70,684)</u>	<u>1,824,269</u>
	207,275	2,143,852
Net unrealized gain (loss)	<u>796,625</u>	<u>(2,321,870)</u>
	1,003,900	(178,018)
Investment management and custody fees	<u>(8,874)</u>	<u>(29,553)</u>
Net Investment Income (Loss)	<u>\$ 995,026</u>	<u>\$ (207,571)</u>

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 5 - Investments (continued)**

The following summarizes investments at December 31, 2016 and 2015 by the levels within the fair value hierarchy used to measure their respective fair values:

	<b>2016</b>			
	<b>Fair Value</b>	<b>Level 1 (Quoted Prices in Active Markets in Identical Assets)</b>	<b>Level 2 (Quoted Prices in Active Markets in Similar Assets)</b>	<b>Level 3 Significant Unobservable Inputs</b>
Money market funds and invested cash	\$ 1,057,567	\$ 1,057,567	\$ -	\$ -
Exchange traded funds	9,823,562	9,823,562	-	-
Corporate obligations	1,486,751	-	1,486,751	-
Restricted preferred stock	<u>82,914</u>	<u>-</u>	<u>-</u>	<u>82,914</u>
	<u>\$12,450,794</u>	<u>\$10,881,129</u>	<u>\$1,486,751</u>	<u>\$82,914</u>
	<b>2015</b>			
	<b>Fair Value</b>	<b>Level 1 (Quoted Prices in Active Markets in Identical Assets)</b>	<b>Level 2 (Quoted Prices in Active Markets in Similar Assets)</b>	<b>Level 3 Significant Unobservable Inputs</b>
Money market funds and invested cash	\$ 201,217	\$ 201,217	\$ -	\$ -
Exchange traded funds	9,128,925	9,128,925	-	-
Corporate obligations	2,486,223	-	2,486,223	-
Restricted preferred stock	<u>82,914</u>	<u>-</u>	<u>-</u>	<u>82,914</u>
	<u>\$11,899,279</u>	<u>\$9,330,142</u>	<u>\$2,486,223</u>	<u>\$82,914</u>

There were no changes in fair value in 2016 and 2015 for the Museum's investment in restricted preferred stock.



**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 6 - Endowment Funds**

The Museum's endowment consists of the Museum's Board Designated Endowment and four donor-restricted funds established for the purposes described in Note 2c. Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Museum 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 any 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.

In accordance with NYPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the Museum and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Museum;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Museum; and
- (viii) the investment policy of the Museum

As of December 31, 2016 and 2015, the Museum's invested endowment funds composition, by type of fund and net asset classification, are summarized as follows:

	<b>2016</b>			
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ -	\$1,550,007	\$10,321,361	\$11,871,368
Board Designated Endowment funds	<u>579,426</u>	<u>-</u>	<u>-</u>	<u>579,426</u>
Total Endowment Funds	<u>\$579,426</u>	<u>\$1,550,007</u>	<u>\$10,321,361</u>	<u>\$12,450,794</u>
	<b>2015</b>			
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ -	\$1,127,154	\$10,309,361	\$11,436,515
Board Designated Endowment funds	<u>462,764</u>	<u>-</u>	<u>-</u>	<u>462,764</u>
Total Endowment Funds	<u>\$462,764</u>	<u>\$1,127,154</u>	<u>\$10,309,361</u>	<u>\$11,899,279</u>

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 6 - Endowment Funds (continued)**

Changes in endowment funds for the years ended December 31, 2016 and 2015 are summarized as follows:

	<b>2016</b>			<b>Total</b>
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	
Endowment funds, beginning of year	<u>\$462,764</u>	<u>\$1,127,154</u>	<u>\$10,309,361</u>	<u>\$11,899,279</u>
Investment Return:				
Investment income, net of fees	10,355	258,535	-	268,890
Net depreciation (realized and unrealized)	<u>28,900</u>	<u>716,725</u>	<u>-</u>	<u>745,625</u>
Total Investment Return (Loss)	<u>39,255</u>	<u>975,260</u>	<u>-</u>	<u>1,014,515</u>
Transfers in	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Contributions	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Appropriation of endowment assets to operations	<u>(22,593)</u>	<u>(552,407)</u>	<u>-</u>	<u>(575,000)</u>
Endowment Funds, End of Year	<u>\$579,426</u>	<u>\$1,550,007</u>	<u>\$10,321,361</u>	<u>\$12,450,794</u>
	<b>2015</b>			
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
Endowment funds, beginning of year	<u>\$492,975</u>	<u>\$1,888,942</u>	<u>\$10,308,061</u>	<u>\$12,689,978</u>
Investment Return (Loss):				
Investment income, net of fees	11,653	268,423	-	280,076
Net appreciation (realized and unrealized)	<u>(19,269)</u>	<u>(477,806)</u>	<u>-</u>	<u>(497,075)</u>
Total Investment Return	<u>(7,616)</u>	<u>(209,383)</u>	<u>-</u>	<u>(216,999)</u>
Contributions	<u>-</u>	<u>-</u>	<u>1,300</u>	<u>1,300</u>
Appropriation of endowment assets to operations	<u>(22,595)</u>	<u>(552,405)</u>	<u>-</u>	<u>(575,000)</u>
Endowment Funds, End of Year	<u>\$462,764</u>	<u>\$1,127,154</u>	<u>\$10,309,361</u>	<u>\$11,899,279</u>

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 6 - Endowment Funds (continued)**

The Museum has adopted investment and spending policies for endowment assets that attempt to provide a stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that will first and foremost preserve capital, then ultimately seek to provide an average total return of 5.0% above the current inflation rate (CPI), net of fees and other expenses. The target allocation is 65% equities and 35% fixed income, the performance of which is to be measured against the appropriate benchmarks. Actual returns in any given year may vary from the target returns.

To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Museum has a policy of appropriating for distribution each year, 5% of the average fair value of endowment funds over the prior twelve calendar quarters, through the calendar year-end preceding the year, in which the distribution is planned. In establishing this policy, the Museum considered the long-term expected return on its endowment. Accordingly, over the long term, the Museum expects the current spending policy to allow its endowment to grow at the rate of inflation. This is consistent with the Museum's objective to at a minimum maintain the purchasing power of the endowment assets.

**Note 7 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2016</u>	<u>2015</u>
Building	40 years	\$ 9,229,600	\$ 9,229,600
Building improvements	15-40 years	70,342,563	70,342,563
Furniture and equipment	5-20 years	4,623,095	4,562,963
Computers	3 years	<u>384,902</u>	<u>380,966</u>
		84,580,160	84,516,092
Less: Accumulated depreciation		<u>(22,140,544)</u>	<u>(20,027,673)</u>
		62,439,616	64,488,419
Land		<u>8,510,400</u>	<u>8,510,400</u>
Net Property and Equipment		<u>\$70,950,016</u>	<u>\$72,998,819</u>

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 7 - Property and Equipment (continued)**

Total depreciation expense was \$2,112,871 and \$2,429,315 for the years ended December 31, 2016 and 2015, respectively.

Historically, The City of New York has funded capital improvements and purchases of property and equipment. The City's investment of capital funding obligates the Museum to operate the facility as a non-profit entity, open to and used and maintained for the benefit of the people of the City of New York for cultural, educational, artistic uses and/or related purposes approved by the City.

**Note 8 - Line of Credit**

The Museum has an unsecured line of credit with a financial institution in the amount of \$800,000, with an adjustable interest rate tied to the Prime Rate. There were no borrowings outstanding at December 31, 2016 and 2015, respectively.

Interest expense under the line of credit totaled \$3,200 (2016) and \$4,217 (2015).

**Note 9 - Commitments and Contingencies**

a - The Museum leases storage space for its permanent collection under a lease with a term which expires February 28, 2025.

Future minimum payments are as follows:

<u>Year Ending December 31,</u>	
2017	\$174,439
2018	179,239
2019	184,172
2020	189,237
2021	194,434
2022 and thereafter	651,219

The Museum also pays for other related services under this agreement, and leases other space on a month-to-month as needed basis. Rent expense for the years ended December 31, 2016 and 2015 was \$223,480 and \$227,732 respectively.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 9 - Commitments and Contingencies (continued)**

b - The Museum leases certain portions of its facility to a tenant under a lease agreement with a term which expires December 31, 2024, and which includes two 5 year renewal options. The lease provides for annual rent for the primary portion of the premises covered under the lease based on a percentage of the tenant's gross receipts, subject to a fixed dollar minimum of \$180,000. Another portion of the premises covered under this lease provides for a percentage rent with a \$150,000 fixed dollar minimum and includes an annual cancellation provision in the event that the tenant's actual gross receipts are not greater than the minimum rent.

Total rental income recognized under this lease totaled \$702,601 (2016) and \$694,556 (2015).

c - In January 2017, The Museum entered into a separation agreement with an officer, which provides for compensation through July 2017.

d - Government supported projects are subject to audit by the respective government agencies.

**Note 10 - Donated Services**

Donated services and materials are recorded at fair value and consist of the following:

	<u>2016</u>	<u>2015</u>
Legal (Note 11)	\$75,264	\$ 60,075
Consulting services	<u>-</u>	<u>55,000</u>
	<u>\$75,264</u>	<u>\$115,075</u>

**Note 11 - Related Party Transaction**

The law firm in which a trustee of the Museum is a partner provided legal services on a pro bono basis valued at \$75,264 and \$60,075 for the years ended December 31, 2016 and 2015, respectively.

**MUSEUM OF ARTS AND DESIGN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**Note 12 - Defined Contribution Plan**

The Museum maintains a 403(b) defined contribution plan for qualifying eligible employees. A matching contribution is made to match 50% of the employee's contribution up to 3% of the employee's compensation. Total expense under this plan for 2016 and 2015 was \$55,917 and \$58,753, respectively.

**Note 13 - Functional Allocation of Expenses**

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

**SUPPLEMENTARY INFORMATION**



**LUTZ AND CARR**

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**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTARY INFORMATION**

To the Board of Trustees of  
Museum of Arts and Design

We have audited the financial statements of Museum of Arts and Design as of and for the years ended December 31, 2016 and 2015, and our report thereon dated June 8, 2017, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended December 31, 2016 with comparative totals for 2015 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lutz + Carr, LLP*

New York, New York  
June 8, 2017



## MUSEUM OF ARTS AND DESIGN

## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016 WITH COMPARATIVE TOTALS FOR 2015

	Program Services				Supporting Services				2016	2015
	Exhibitions	Curatorial	Education and Other	Total	Administration	Membership and Development	Capital Campaign	Total	Total Expenses	Total Expenses
Salaries and fringe benefits	\$1,789,236	\$ 504,116	\$1,829,578	\$4,122,930	\$ 213,664	\$ 598,971	\$ -	\$ 812,635	\$ 4,935,565	\$ 4,730,117
Speakers and instructors	4,000	-	43,272	47,272	-	500	-	500	47,772	51,792
Professional fees	29,552	41,546	322,640	393,738	434,061	429,270	-	863,331	1,257,069	841,014
Legal services	-	-	-	-	77,891	-	-	77,891	77,891	60,075
Installation and design	381,722	-	-	381,722	-	-	-	-	381,722	556,388
Video documentation and photos	31,300	-	6,249	37,549	770	375	-	1,145	38,694	36,724
Security services	384,356	-	76,871	461,227	51,248	-	-	51,248	512,475	421,632
Storage and warehouse	73,463	136,794	13,183	223,440	11,430	-	-	11,430	234,870	238,317
Building service contracts	236,677	-	29,584	266,261	29,585	-	-	29,585	295,846	292,288
Electricity	569,833	-	71,229	641,062	71,229	-	-	71,229	712,291	858,559
Telephone	4,667	1,867	4,667	11,201	2,800	4,667	-	7,467	18,668	18,244
Insurance	20,166	10,000	18,066	48,232	117,297	-	-	117,297	165,529	176,221
Supplies	19,613	7,415	90,259	117,287	42,456	80,531	-	122,987	240,274	223,411
Printing	51,310	852	4,025	56,187	6,154	156,679	3,026	165,859	222,046	185,438
Postage	4,143	1,516	4,088	9,747	8,262	55,293	-	63,555	73,302	41,289
Shipping and crating	508,296	9,691	81,726	599,713	259	7,076	-	7,335	607,048	259,305
Equipment and maintenance	26,866	10,746	26,866	64,478	16,119	26,866	-	42,985	107,463	107,081
Travel and meals	71,902	14,892	7,833	94,627	74,684	61,648	-	136,332	230,959	153,829
Catering	-	-	6,659	6,659	-	39,149	164	39,313	45,972	59,074
Advertising and promotion	-	827	1,862	2,689	3,344	330,275	-	333,619	336,308	318,656
Interest	-	-	800	800	2,400	-	-	2,400	3,200	4,217
Conservation	28,419	2,443	-	30,862	-	-	-	-	30,862	20,850
Bank and credit card fees	667	5	69,509	70,181	13,439	35,626	-	49,065	119,246	130,051
Property taxes	-	-	-	-	59,768	-	-	59,768	59,768	58,723
Bad debt expenses	-	-	-	-	-	-	125,364	125,364	125,364	75,000
Miscellaneous	4,077	-	1,544	5,621	5,393	20,006	3,316	28,715	34,336	14,695
Total expenses before depreciation and amortization	4,240,265	742,710	2,710,510	7,693,485	1,242,253	1,846,932	131,870	3,221,055	10,914,540	9,932,990
Depreciation and amortization	1,690,297	-	211,287	1,901,584	211,287	-	-	211,287	2,112,871	2,429,315
Total Expenses, 2016	<u>\$5,930,562</u>	<u>\$ 742,710</u>	<u>\$2,921,797</u>	<u>\$9,595,069</u>	<u>\$ 1,453,540</u>	<u>\$ 1,846,932</u>	<u>\$131,870</u>	<u>\$3,432,342</u>	<u>\$13,027,411</u>	
Total Expenses, 2015	<u>\$5,654,354</u>	<u>\$ 800,490</u>	<u>\$3,055,271</u>	<u>\$9,510,115</u>	<u>\$ 1,330,229</u>	<u>\$ 1,517,660</u>	<u>\$ 4,301</u>	<u>\$2,852,190</u>		<u>\$12,362,305</u>

See independent auditors' report on supplementary information.