

MARTHA'S VINEYARD MUSEUM, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2015
AND
INDEPENDENT AUDITOR'S REPORT

MARTHA'S VINEYARD MUSEUM, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Martha's Vineyard Museum, Inc.
Edgartown, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Martha's Vineyard Museum, Inc. which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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 Martha's Vineyard Museum, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 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.

Report on Summarized Comparative Information

We have previously audited Martha's Vineyard Museum, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 12, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ballus Lynch, LLP

Worcester, Massachusetts
May 18, 2016

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

(With Summarized Financial Information for 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,540,486	\$ 981,270
Accounts receivable	5,784	1,227
Pledges receivable	817,486	392,971
Inventories	35,710	41,103
Prepaid expenses and other assets	<u>15,015</u>	<u>2,338</u>
Total current assets	2,414,481	1,418,909
Pledges receivable	1,416,018	763,585
Property and equipment, net	4,193,675	4,222,071
Collection	<u>-</u>	<u>-</u>
	<u>\$ 8,024,174</u>	<u>\$ 6,404,565</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	<u>\$ 37,141</u>	<u>\$ 28,268</u>
Net assets		
Unrestricted		
Operating	479,642	528,652
Designated for collection accessions	3,578	2,903
Plant	4,193,675	4,150,305
Temporarily restricted	2,882,598	1,585,861
Permanently restricted	<u>427,540</u>	<u>108,576</u>
Total net assets	<u>7,987,033</u>	<u>6,376,297</u>
	<u>\$ 8,024,174</u>	<u>\$ 6,404,565</u>

See accompanying independent auditor's report and notes to financial statements.

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

(With Summarized Financial Information for 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2015	2014
Operating activities:					
Revenue, gains, and other support					
Membership dues	\$ 91,450	\$ -	\$ -	\$ 91,450	\$ 102,746
Admissions and fees	76,966	-	-	76,966	62,048
Contributions	227,113	63,071	-	290,184	255,815
Grant income	-	180,781	-	180,781	117,463
Sales	25,399	-	-	25,399	32,279
Special fund raising events	188,325	-	-	188,325	188,970
Lighthouse admissions and fees	103,049	-	-	103,049	149,826
Interest and other income	245	926	-	1,171	1,866
Net assets released from restriction					
Satisfaction of time restrictions	33,091	(33,091)	-	-	-
Satisfaction of purpose restrictions	223,486	(223,486)	-	-	-
Appropriation from Capital Campaign	520,000	-	-	520,000	430,000
Total	1,489,124	(11,799)	-	1,477,325	1,341,013
Operating expenses					
Program services	842,298	-	-	842,298	967,810
Supporting services					
General and administrative	328,288	-	-	328,288	297,609
Membership and fundraising	321,680	-	-	321,680	346,707
Total	1,492,266	-	-	1,492,266	1,612,126
Change in net assets from operating activities	(3,142)	(11,799)	-	(14,941)	(271,113)
Comprehensive capital campaign activities					
Capital campaign contributions	-	2,127,221	318,633	2,445,854	858,853
Capital campaign interest	-	2,344	331	2,675	1,968
Capital campaign expenses	(301,029)	-	-	(301,029)	(296,541)
Satisfaction of capital campaign restrictions					
Capital campaign expenses	301,029	(301,029)	-	-	-
Appropriation for operations	-	(520,000)	-	(520,000)	(430,000)
Change in net assets from non-operating activities	-	1,308,536	318,964	1,627,500	134,280
Change in net assets before changes related to collection items					
Collection items	(3,142)	1,296,737	318,964	1,612,559	(136,833)
Purchase of collection items	(1,823)	-	-	(1,823)	(515)
Change in net assets	(4,965)	1,296,737	318,964	1,610,736	(137,348)
Net assets, beginning of year	4,681,860	1,585,861	108,576	6,376,297	6,513,645
Net assets, end of year	\$ 4,676,895	\$ 2,882,598	\$ 427,540	\$ 7,987,033	\$ 6,376,297

See accompanying independent auditor's report and notes to financial statements.

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

(With Summarized Financial Information for 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,610,736	\$ (137,348)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Adjustments related to operating activities:		
Depreciation and amortization	47,784	52,411
Changes in operating assets and liabilities:		
Accounts receivable	(4,557)	45,138
Pledges receivable	(94,408)	77,014
Inventories	5,393	520
Prepaid expenses and other assets	(12,677)	(1,426)
Accounts payable and accrued liabilities	8,873	(35,398)
Adjustments related to capital campaign activities:		
Revenue restricted for capital campaign activities	(1,925,854)	(428,853)
Expenditures related to the capital campaign	301,029	296,541
	<u>(1,674,417)</u>	<u>5,947</u>
Net cash used in operating activities	<u>(63,681)</u>	<u>(131,401)</u>
Cash flows from investing activities:		
Expenditures for property, plant, and equipment	(19,388)	(29,099)
Capital campaign expenditures	(301,029)	(296,541)
	<u>(320,417)</u>	<u>(325,640)</u>
Net cash used in investing activities	<u>(320,417)</u>	<u>(325,640)</u>
Cash flows from financing activities:		
Receipt of capital contributions and grants	943,314	357,688
	<u>943,314</u>	<u>357,688</u>
Net cash provided by financing activities	<u>943,314</u>	<u>357,688</u>
Net increase (decrease) in cash and cash equivalents	559,216	(99,353)
Cash and cash equivalents, beginning of year	<u>981,270</u>	<u>1,080,623</u>
Cash and cash equivalents, end of year	<u>\$ 1,540,486</u>	<u>\$ 981,270</u>

See accompanying independent auditor's report and notes to financial statements.

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Martha's Vineyard Museum was organized as the Dukes County Historical Society, Inc. on July 12, 1923. On August 19, 1996, the corporate name was changed to Martha's Vineyard Historical Society, Inc. (the "Society"). During 2006, the Board of Directors authorized the use of the name "Martha's Vineyard Museum" while retaining its corporate name. During 2010, the Board of Directors changed the corporate name to Martha's Vineyard Museum, Inc. (the "Museum"). The Museum is a non-profit organization organized for the purpose of collecting, preserving, publishing, and sharing historical and relevant matters relating to the County of Dukes County.

The Museum consists of property in the Edgartown Campus including the Cooke House, the Pease House, the Huntington Library, a First Order Fresnel Lens, the Carriage/Boat Shed and the Try Works reproduction. In addition, the Museum owns the former Marine Hospital property in Vineyard Haven, the planned location of a new facility. The Museum also has stewardship of the Gay Head, East Chop and Edgartown lighthouses. The Museum has permanent and changing exhibits that explore the history, culture, art, natural history and landscape of Martha's Vineyard Island. The Museum also offers a broad range of adult and children's educational programs, exhibits and events to members and the general public.

Method of accounting

The financial statements of the Museum have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Museum obtains the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

Accounting estimates

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

Financial statement presentation

The Museum presents information regarding its financial position and activities according to three classifications of net assets described as follows:

Unrestricted - All resources over which the governing board has discretionary control. The governing board of the Museum may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Temporarily Restricted - Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.

Permanently Restricted - Endowment resources accumulated through donations or grants that are subject to the restriction in perpetuity that the principal be invested. Investment income may be either an unrestricted or temporarily restricted resource when earned, determined according to the gift instruments.

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial statement presentation (continued)

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

Subsequent events

The Museum has evaluated the financial statement impact of subsequent events occurring through May 18, 2016, the date that the financial statements were available to be issued.

Cash

The Museum maintains accounts at various financial institutions which, at times, may exceed federally insured limits. The Museum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Pledges receivable

Pledges are recorded as receivables in the year the pledge is made. Pledges for support of current operations are recorded as unrestricted support. Pledges for support of future operations, capital activities, and endowment are recorded as temporarily restricted or permanently restricted support. Subsequent write-offs of pledges are recorded as negative contribution support in the period the pledge is considered uncollectible.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an appropriate interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until such time as the conditions are substantially met.

Inventories

Inventories, which consist of gift shop items, are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Temporary investments

The Museum receives marketable securities as contributions. An investment account is maintained only to liquidate these contributions.

Property and equipment

Property and equipment are carried at cost, or if donated at fair value as of the date of the gift. Depreciation and amortization are computed using the straight-line method.

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collection

As allowed by accounting principles generally accepted in the United States of America and following the practices of many museums, the Museum has not capitalized its collection of items of historical nature and other related objects purchased or donated. The collection is held for public exhibition, education, or research in furtherance of public service rather than financial gain. The Museum continually reviews its collection and may de-access or acquire additional items. Expenditures for additional collection items are presented as a reduction in the appropriate class of net assets. Proceeds from de-accessions are reflected as increases in unrestricted net assets. The Museum has established a policy that requires the proceeds from items de-accessed to be used to acquire other items for the collection.

Contributions, gifts, grants

Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence and nature of any donor restrictions. Contributions may include actual gifts or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Restricted gifts are required to be reported as restricted support in the period received and are then reclassified to unrestricted net assets upon satisfaction of the donor restriction. Contributions that the donor requires to be used to acquire long-lived assets (for example, land, buildings, furniture, fixtures, and equipment) are reported as temporarily restricted until the long-lived assets have been acquired, at which time the entity reflects the expiration of the donor-imposed restriction as a reclassification included in net assets released from restrictions.

Contributions of assets other than cash are recorded at their fair value in the period received. Contributions of donated services that create or enhance the non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No amounts have been reflected in the financial statements for donated services as the Museum pays for most services requiring special expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Museum with its programs. Museum volunteers provide services as a guide, librarian, publication editor, cataloguing, and fund-raising services throughout the year.

In late 2012 the Museum initiated a Comprehensive Capital Campaign to raise funds for the relocation of its campus to the property in Vineyard Haven purchased in September 2011. The Campaign will raise funds for three objectives: construction of facilities, additions to the Museum's endowment, and funding for operations support and program expansion during the period of planning and transition to the new location. All contributions to the campaign are considered temporarily restricted. Contributions to the general campaign may be used to satisfy direct campaign expenses or may be appropriated for operations by the Board in accordance with the planned objectives and budget for the Campaign. Contributions to specific objectives of the campaign remain temporarily restricted until the donor restriction is satisfied.

In the Comprehensive Capital Campaign, the Museum raised \$2,445,854 and \$858,853 in cash and pledges in 2015 and 2014, respectively, which are included in the financial statements. In addition, beyond this amount the Museum received new intentions to give of \$743,000 and \$541,298 through letters of intent or pledges with certain specified conditions in 2015 and 2014, respectively.

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment funds

The Museum's endowment consists of National Endowment for the Humanities and donor restricted endowment funds established to support the various programs and projects that further the mission of the Museum. The funds are currently held in a money market account. The Museum has adopted spending policies for its endowment assets that attempt to provide a predictable stream of funding for its programs while seeking to maintain the purchasing power of the endowment assets. Under this policy, the Board establishes a budgeted appropriation amount for expenditure during the year.

Functional expenses

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

Description of program and supporting services

The following programs and supporting services are included in the accompanying financial statements:

Publications - Foster knowledge, stimulate interest, and facilitate participation in public and private historic preservation through the printing and publication of the Museum's general materials, magazine and the administration of book publishing.

Education - Encourage an understanding of all aspects of preservation and the development of related skills through such programs as providing essential restoration trade skills, identifying and nurturing target audiences (including the schools and children's programs) from communication, merchandising, preservation-related products, and understanding of local heritage including influences of whaling.

Historical properties - Comprise activities designed to preserve and manage effectively for public benefit the Museum's real and personal property, and administers programs for the preservation of historic properties such as lighthouses.

Preservation services - Includes information and technical assistance to the Museum's members, private and public organizations, and governmental bodies with respect to contemporary preservation issues, including maritime preservation, and the efficient oversight and administration of interns - provided by regional colleges and universities.

Membership development - Encompasses the identification, cultivation, and expansion of the Museum's membership as the primary effort to promote preservation awareness and to increase public involvement in preservation activities.

Management and general - Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Museum's program strategy; maintain competent legal services for the program administration of the Museum; and manage the financial and budgetary responsibilities of the Museum.

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising and promotion

All costs associated with advertising and promoting the Museum are expensed in the year incurred. Advertising and public relations expense was \$57,687 and \$43,637 in 2015 and 2014, respectively.

2 - PLEDGES RECEIVABLE

Pledges receivable consist of:

	<u>2015</u>	<u>2014</u>
Unrestricted		
Operating	\$ 61,848	\$ 67,440
Restricted		
Operating – for lighthouse access	80,000	90,000
Operating – for Morgan Learning Center	90,000	-
Operating – for Catboat Vanity	20,000	-
Capital campaign – for endowment	140,000	-
Capital campaign	<u>2,023,626</u>	<u>1,106,974</u>
	2,415,474	1,264,414
Less: Unamortized discount	<u>181,970</u>	<u>107,858</u>
	<u>\$ 2,233,504</u>	<u>\$ 1,156,556</u>

Pledges receivable include \$622,878 and \$715,100 of amounts due from Board members in 2015 and 2014 respectively. Further, as of December 31, 2015, the Museum had additional outstanding intentions to give of \$2,361,091 through letters of intent or pledges with certain specified conditions, which are not included above.

As of December 31, 2015, pledges are expected to be received according to the following schedule:

	<u>Operating</u>	<u>Capital</u>
Within one year	\$ 95,348	\$ 722,138
One to five years	136,500	1,441,488
Longer than five years	<u>20,000</u>	<u>-</u>
	<u>\$ 251,848</u>	<u>\$ 2,163,626</u>

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PROPERTY AND EQUIPMENT

Property and equipment, together with estimated useful lives, consist of the following:

	Estimated Useful Lives	2015	2014
Land	-	\$ 1,379,032	\$ 1,379,032
Historic buildings	-	507,947	507,947
Buildings and improvements	7 - 31 years	1,139,902	1,138,356
Equipment and furniture	3 - 10 years	210,212	201,570
Construction in progress	-	1,929,148	1,919,948
		5,166,241	5,146,853
Less: Accumulated depreciation and amortization		972,566	924,782
		<u>\$ 4,193,675</u>	<u>\$ 4,222,071</u>

Depreciation and amortization for property, plant, and equipment was \$47,784 and \$52,411 in 2015 and 2014, respectively.

4 - RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2015	2014
Capital Campaign	\$ 2,549,636	\$ 1,241,100
Educational programs	177,090	142,241
Collection acquisitions	10,000	10,000
Lighthouse access	47,216	57,216
Lighthouses	19,379	19,379
Film and book publishing	35,684	39,023
Future operations	43,593	76,902
	<u>\$ 2,882,598</u>	<u>\$ 1,585,861</u>

During 2015, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

Operations	\$ 33,091
Educational Programs	217,647
Other Programs	5,839
	<u>256,577</u>
Capital Campaign Activities	821,029
	<u>\$ 1,077,606</u>

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - TAX-EXEMPT STATUS

The Museum qualifies as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required. Management annually reviews for uncertain tax positions along with any related interest and penalties and believes that the Museum has no uncertain tax positions that would have a material adverse effect, individually or in the aggregate upon the Museum's statement of financial position, or the related statements of activities, or cash flows. The Museum files income tax returns in the U.S. federal jurisdiction. The Museum is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2012.

6 - ENDOWMENT ASSETS

Changes in endowment assets for the year ended December 31, 2015 are as follows:

	<u>2015</u>
Endowment assets, beginning of year	\$ 108,576
Interest income	331
Additions	<u>318,633</u>
Endowment assets, end of year	<u>\$ 427,540</u>

7 - FUNCTIONAL EXPENSES

The expenses incurred to provide the various programs and activities of the Museum have been summarized on a functional basis in this footnote. Accordingly, all costs, including capital campaign expenses, have been allocated to the programs and supporting services benefited as follows:

	<u>Unrestricted</u>	
	<u>2015</u>	<u>2014</u>
Total expenses		
Program services	\$ 894,020	\$ 1,018,762
Supporting services		
General and administrative	359,483	328,339
Membership and fundraising	<u>539,792</u>	<u>561,566</u>
Total	<u>\$ 1,793,295</u>	<u>\$ 1,908,667</u>

The expenses above are presented in the statement of activities as follows:

	<u>2015</u>	<u>2015</u>
Operating expenses	\$ 1,492,266	\$ 1,612,126
Capital campaign expenses	<u>301,029</u>	<u>296,541</u>
	<u>\$ 1,793,295</u>	<u>\$ 1,908,667</u>

MARTHA'S VINEYARD MUSEUM, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

8 - LEASES

The Museum leases property under long-term lease agreements classified as operating leases for financial statement purposes.

Future minimum lease payments as of December 31, 2015 are as follows:

2016	\$ 6,000
2017	<u>6,000</u>
	<u>\$ 12,000</u>

SUPPLEMENTARY INFORMATION

MARTHA'S VINEYARD MUSEUM, INC.

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2015

(With Summarized Financial Information for 2014)

	Program	General and Administrative	Membership and Fund Raising	Totals	
				2015	2014
Salaries and wages	\$ 389,216	\$ 165,712	\$ 129,812	\$ 684,740	\$ 664,746
Employee benefits	34,971	14,889	11,664	61,524	56,699
Payroll taxes	30,151	12,837	10,056	53,044	54,311
Total personnel expenses	454,338	193,438	151,532	799,308	775,756
Accounting and legal	-	12,035	-	12,035	12,062
Advertising	3,963	8,385	45,339	57,687	43,637
Collection and exhibits	30,307	-	-	30,307	22,885
Contract services	19	5,901	7,587	13,507	13,733
Cost of sales	12,830	-	-	12,830	20,399
Dues and subscriptions	215	950	-	1,165	1,688
Insurance					
Building and liability	-	20,186	-	20,186	19,114
Interest	-	-	-	-	370
Lighthouses	37,624	-	-	37,624	52,916
Occupancy					
Utilities	936	18,736	-	19,672	22,299
Repairs and maintenance	1,465	24,312	-	25,777	19,261
Printing, postage and mailing	2,835	2,252	11,979	17,066	14,980
Publications for membership	22,356	-	8,811	31,167	30,927
Programs and special events	210,708	-	88,915	299,623	455,181
Supplies	7,657	26,246	1,399	35,302	32,576
Telephone	-	8,351	-	8,351	7,629
Travel	-	1,274	25	1,299	1,794
Other	9,261	6,222	6,093	21,576	12,508
Total expenses before depreciation and amortization	794,514	328,288	321,680	1,444,482	1,559,715
Depreciation and amortization	47,784	-	-	47,784	52,411
	<u>\$ 842,298</u>	<u>\$ 328,288</u>	<u>\$ 321,680</u>	<u>\$ 1,492,266</u>	<u>\$ 1,612,126</u>

See accompanying independent auditor's report.