

FRANCONIA SCULPTURE PARK

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2015 and 2014

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FRANCONIA SCULPTURE PARK

ORGANIZATION

Year Organized	June 28, 1996
Under Laws of State of	Minnesota
Fiscal Year-End	December 31

OFFICERS AND DIRECTORS

Amy McKinney	Minneapolis, Minnesota	Chair
Dorothy Goldie	North Oaks, Minnesota	Vice-Chair
Tamsie Ringler	St. Paul, Minnesota	Secretary
Erik Janssen	Minneapolis, Minnesota	Treasurer
John Joachim	Taylors Falls, Minnesota	Director
Davis Klaila	St. Croix Falls, Wisconsin	Director
Ronald Kopeska	St. Louis Park, Minnesota	Director
John Kremer	Minneapolis, Minnesota	Director
Diane Mullin	Minneapolis, Minnesota	Director

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franconia Sculpture Park
Shafer, Minnesota

We have audited the accompanying financial statements of Franconia Sculpture Park (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, 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.

Auditor's 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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 Franconia Sculpture Park as of December 31, 2015 and 2014, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 16 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.

Carlson Highland & Co., P.C.

Amery, Wisconsin
April 28, 2016

**FRANCONIA SCULPTURE PARK
STATEMENTS OF FINANCIAL POSITION**

December 31, 2015 and 2014

ASSETS

	<i>2015</i>	<i>2014</i>
CURRENT ASSETS		
Cash and cash equivalents	\$ 410,689	\$ 361,687
Unconditional promises to give	478,589	108,487
Accounts receivable	669	775
Prepaid expense	4,565	4,904
Total Current Assets	894,512	475,853
OTHER ASSETS		
Deferred debt issuance costs	12,934	15,286
Long-term unconditional promises to give	162,763	10,000
Total Other Assets	175,697	25,286
PROPERTY AND EQUIPMENT		
Property and equipment	1,524,658	1,396,332
Less accumulated depreciation	335,528	314,264
Net Property and Equipment	1,189,130	1,082,068
TOTAL ASSETS	\$ 2,259,339	\$ 1,583,207

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	\$ 14,038	\$ 13,369
Accounts payable	663	2,858
Accrued expenses	59,282	65,960
Total Current Liabilities	73,983	82,187
LONG-TERM DEBT	388,543	552,582
Total Liabilities	462,526	634,769
NET ASSETS		
Unrestricted Net Assets		
Unrestricted	983,820	676,522
Designated	96,354	96,354
Total Unrestricted Net Assets	1,080,174	772,876
Temporarily Restricted Net Assets	716,639	175,562
Total Net Assets	1,796,813	948,438
TOTAL LIABILITIES AND NET ASSETS	\$ 2,259,339	\$ 1,583,207

(The accompanying notes are an integral part of these financial statements.)

FRANCONIA SCULPTURE PARK
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>			<u>2014</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support						
Program services	\$ 41,282	\$ -	\$ 41,282	\$ 42,474	\$ -	\$ 42,474
Contributions and grants	451,747	942,609	1,394,356	270,189	289,453	559,642
In-kind contributions	59,844	-	59,844	15,077	-	15,077
Merchandise sales	14,274	-	14,274	13,624	-	13,624
Interest income	423	-	423	308	-	308
Miscellaneous income	5,496	-	5,496	15,456	-	15,456
Satisfaction of restrictions	401,532	(401,532)	-	282,844	(282,844)	-
Total Revenues, Gains and Other Support	<u>974,598</u>	<u>541,077</u>	<u>1,515,675</u>	<u>639,972</u>	<u>6,609</u>	<u>646,581</u>
Expenses						
Program services	452,586	-	452,586	456,768	-	456,768
Supporting services						
Management and general	82,121	-	82,121	74,211	-	74,211
Fundraising	132,593	-	132,593	79,714	-	79,714
Total Expenses	<u>667,300</u>	<u>-</u>	<u>667,300</u>	<u>610,693</u>	<u>-</u>	<u>610,693</u>
CHANGE IN NET ASSETS	307,298	541,077	848,375	29,279	6,609	35,888
BEGINNING NET ASSETS	<u>772,876</u>	<u>175,562</u>	<u>948,438</u>	<u>743,597</u>	<u>168,953</u>	<u>912,550</u>
ENDING NET ASSETS	<u>\$ 1,080,174</u>	<u>\$ 716,639</u>	<u>\$ 1,796,813</u>	<u>\$ 772,876</u>	<u>\$ 175,562</u>	<u>\$ 948,438</u>

(The accompanying notes are an integral part of these financial statements.)

**FRANCONIA SCULPTURE PARK
STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2015 and 2014

	<i>2015</i>	<i>2014</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 848,375	\$ 35,888
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	43,927	44,619
Donated property and equipment	(55,361)	(13,233)
Extinguishment of debt	(150,000)	-
Loss on disposition of property and equipment	1,534	-
Increase (decrease) in		
Unconditional promises to give	(522,865)	(29,418)
Accounts receivable	106	(767)
Prepaid expense	339	850
Accounts payable	(2,195)	(4,820)
Accrued expenses	(6,678)	16,509
Net Cash Provided from Operating Activities	157,182	49,628
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(94,810)	(6,985)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(13,370)	(12,733)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	49,002	29,910
 BEGINNING CASH AND CASH EQUIVALENTS	361,687	331,777
 ENDING CASH AND CASH EQUIVALENTS	\$ 410,689	\$ 361,687
 SUPPLEMENTAL DISCLOSURES		
Cash payments during the year for		
Interest	\$ 25,798	\$ 26,434
 Noncash investing activity		
Property and equipment acquired through donated services	\$ 23,827	\$ 13,233
Property and equipment acquired through donations	\$ 31,534	\$ -
 Noncash financing activity		
Debt extinguishment through contributions	\$ 150,000	\$ -

(The accompanying notes are an integral part of these financial statements.)

FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

NATURE OF ORGANIZATION

Franconia Sculpture Park (the Organization) was founded in 1996 as a non-profit organization dedicated to providing opportunities to artists and the public through various programs of creation and education. The Organization creates and exhibits large-scale outdoor sculptures in a rural setting near Taylors Falls, Minnesota. Its mission is to provide physically and intellectually wide open spaces where all are inspired to participate in the creative process.

Each summer, fifteen to twenty-five emerging artists work with several established mid-career artist mentors to achieve greater potential. The park is open to the public, so the art is created in an interactive environment where the public can dialogue with the artists and also view the exhibited works. The Organization conducts numerous community education programs which enrich the cultural life of the community including the "Kids Make Sculpture" program, activities with inner-city youth oriented partner organizations and tours for schools.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

BASIS OF ACCOUNTING

The financial statements of Franconia Sculpture Park have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

BASIS OF PRESENTATION

The Organization is required to report 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.

USE OF 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DONATED ASSETS

Noncash donations are recorded as contributions at their fair values at the date of donation.

FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

DONATED PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted at that time.

DONATED SERVICES

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased by the Organization.

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, campaign solicitations and various committee assignments.

CONCENTRATION OF RISK

The Organization maintains its cash and temporary investments in financial institutions which, at times, may exceed federally insured limits. Accounts are guaranteed up to specified limits. The Organization has not experienced any losses in such accounts.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefit received. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded as revenue at the present value of their estimated future cash flows. Management reviews all outstanding promises to give for collectability and has determined all promises to give are collectible based on historical experience and no allowance for uncollectible promises to give is made in the accompanying financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

DEFERRED DEBT ISSUANCE COSTS

Costs relating to obtaining the tax-exempt mortgage bond financing are capitalized and amortized over the term of the related debt using the straight-line method. Accumulated amortization at December 31, 2015 and 2014 was \$10,583 and \$8,231, respectively. Amortization of deferred debt issuance costs charged to operations was \$2,352 and \$2,351 for 2015 and 2014, respectively. When a loan is paid in full, any remaining unamortized issuance costs are removed from the related accounts and are charged to operations.

PROPERTY AND EQUIPMENT

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. When property and equipment is sold or retired, any resulting gain or loss is reflected in current operations.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of current assets and current liabilities approximate fair value because of the terms and relatively short maturity of these financial instruments. The fair value of long-term debt approximates the carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.

UNRESTRICTED NET ASSETS

The Organization reports assets whose use is not restricted by donors as unrestricted net assets. Contributions are available for unrestricted use unless specifically restricted by the donor. Board designated funds are established by the Organization and represent unrestricted funds which have been set aside for capital construction projects of the Organization.

FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor for a particular purpose are reported as temporarily restricted revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year-end. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Contributions restricted for capital improvements are released to unrestricted revenue at the time the funds are expended for the specified improvement.

CONTRIBUTIONS

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the Statements of Activities as net assets released from restrictions.

PROGRAM FUNDING AND REVENUES

Services rendered by the Organization are funded by grants, as available, and by private and public support.

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ADVERTISING

The Organization expenses advertising costs as they are incurred.

PRESENTATION OF TAXES COLLECTED FROM CUSTOMERS

Sales, excise and other taxes are imposed on most of the Organization's sales to non-exempt customers. The Organization collects the taxes from customers and remits the entire amount to the governmental authorities. The Organization's accounting policy is to exclude the tax collected and remitted from revenues and expenses.

FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

INCOME TAX STATUS

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization's accounting policy is to present interest and penalties as a component of the provision for income.

The Organization's tax returns are subject to possible examination by taxing authorities. With few exceptions, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through April 28, 2016, the date on which the financial statements were available to be issued.

RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(2) **UNCONDITIONAL PROMISES TO GIVE**

The unconditional promises to give at December 31 are as follows:

	<i>2015</i>	<i>2014</i>
Receivable in Less Than One Year		
Annual Fund	\$ 6,399	\$ 13,531
Anonymous	25,000	-
Constance Cowles and Fuller Cowles Foundation	12,500	-
East Central Regional Arts Council	15,000	14,994
Harlan Boss Foundation	10,000	-
Hugh J. Andersen Foundation	25,000	-
Jerome Foundation	39,000	-
L&N Andreas Foundation	180,000	-
Mardag Foundation	25,000	-
Minnesota State Arts Board	14,023	12,462
National Endowment for the Arts	-	22,500
Page Knudsen Cowles and John Cowles III	16,667	-
Richard and Nancy Nicholson	20,000	-
Russell Cowles II	40,000	-
The McKnight Foundation	-	35,000
Trillium Foundation	10,000	10,000
Windgate Foundation	40,000	-
	478,589	108,487
Receivable in One to Five Years		
Harlan Boss Foundation	10,000	-
L&N Andreas Foundation	90,000	-
Mardag Foundation	25,000	-
Page Knudsen Cowles and John Cowles III	33,333	-
Richard and Nancy Nicholson	10,000	-
Trillium Foundation	-	10,000
	168,333	10,000
Total	\$ 646,922	\$ 118,487

**FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

(2) **UNCONDITIONAL PROMISES TO GIVE - Continued**

The unconditional promises to give consist of multi-year grants and amounts pledged during the capital campaign. Maturities of the unconditional promises to give for the next three years are as follows at December 31:

<i>Year Ending Dec. 31</i>	<i>Capital Campaign</i>	<i>General Operations</i>	<i>Art Fellowships</i>
2016	\$ 244,167	\$ 153,863	\$ 80,559
2017	111,667	40,000	-
2018	16,666	-	-
	<u>372,500</u>	<u>193,863</u>	<u>80,559</u>
Less interest element 4.5%	<u>(4,291)</u>	<u>(1,279)</u>	<u>-</u>
	368,209	192,584	80,559
Less allowance for uncollectible pledges	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 368,209</u>	<u>\$ 192,584</u>	<u>\$ 80,559</u>

Management uses specific identification for the allowance for uncollectible pledges. No allowance was identified for the year ended December 31, 2015.

(3) **PROPERTY AND EQUIPMENT**

The cost of property and equipment consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Land and land improvements	\$ 677,248	\$ 611,014
Buildings and improvements	614,430	614,430
Equipment	99,880	104,029
Office equipment	12,143	12,143
Works of art	34,498	34,498
Construction in progress	86,459	20,218
Total	<u>\$ 1,524,658</u>	<u>\$ 1,396,332</u>

Depreciation expense on property and equipment amounted to \$41,575 and \$42,268 for the years ended December 31, 2015 and 2014, respectively.

At December 31, 2015, construction in progress consists of architectural services related to the long-range capital campaign building project. The cost is approximately \$1.82 million, of which \$142,000 represents donated services. The estimated completion date is 2018.

**FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

(4) **LONG-TERM DEBT**

Long-term debt at December 31 is as follows:

	<i>2015</i>	<i>2014</i>
Tax-exempt mortgage note payable	\$ 350,000	\$ 500,000
Note payable	52,581	65,951
	402,581	565,951
Less current portion	14,038	13,369
Total	\$ 388,543	\$ 552,582

The Organization has a 4.5 percent tax-exempt mortgage note payable totaling \$350,000 issued by the Chisago County Housing and Redevelopment Authority, and assigned to six investors. Interest is payable semi-annually on January 1 and July 1, with the principal balance of \$350,000 payable on July 1, 2021. The note is secured by 20 acres of land and the physical property the park resides on. In 2015, two of the assigned investors donated their notes to Franconia Sculpture Park in the amount of \$150,000. This is recorded as a contribution and extinguishment of debt.

The note payable is secured by 23.2 acres of land. The note is being repaid at the rate of \$16,667 annually on December 15, including interest. The fixed rate of interest is 5.0 percent. The maturity date is December 15, 2018.

Principal amounts due on long-term debt in each of the next four years are as follows: 2016 \$14,038; 2017 \$14,740; 2018 \$23,803; and \$350,000 thereafter.

(5) **RELATED PARTY TRANSACTIONS**

The Organization is involved in a long-range capital campaign to improve the sculpture park. At the time the capital campaign began, a board member was the architect for this project. The board member resigned from the board during 2015. The following is a summary of transactions and balances between related parties:

	<i>2015</i>	<i>2014</i>
Payments for services rendered	\$ 26,126	\$ 1,064
Donated architectural services	\$ 23,826	\$ 13,233

(6) **DESIGNATED NET ASSETS**

Cash funds have been designated by the Board of Directors for the following purposes at December 31:

	<i>2015</i>	<i>2014</i>
Board Designated Capital Reserve	\$ 96,354	\$ 96,354

**FRANCONIA SCULPTURE PARK
NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

(7) **RESTRICTIONS ON NET ASSETS**

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

	2015	2014
Artist fellowships	\$ 40,000	\$ 52,500
Artist stipends	78,000	37,000
Arts learning	31,185	-
Capital construction projects	5,330	5,330
City at Casket Gallery	1,000	2,000
Conversations with Creators on the Prairie	14,790	-
Hot metal pours	4,995	-
Intern program	25,000	-
Kids Make Sculpture	-	4,997
Long-range capital project	501,214	58,741
Music at Franconia	15,000	14,994
Scholarships	125	-
Total	\$ 716,639	\$ 175,562

(8) **ECONOMIC DEPENDENCY**

Approximately 30 percent of the Organization's 2015 total contributions are derived from two donors (47 percent from six donors in 2014). The Organization's ability to operate at the same level of service could have a negative impact in the event that these donors would cease contributing to the Organization.

(9) **LONG-RANGE CAPITAL CAMPAIGN**

The Organization commenced a capital campaign for the purpose of soliciting grants and donations of approximately \$3 million through 2018. The Organization intends to construct a community learning and information center, indoor artist workshop, capacity building and retire debt with a projected cost of approximately \$3.14 million and a targeted completion date of 2018.

SUPPLEMENTARY INFORMATION

FRANCONIA SCULPTURE PARK
SCHEDULE OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2015 and 2014

	<i>2015</i>				<i>2014</i>			
	<i>Program Services</i>	<i>Supporting Services</i>			<i>Program Services</i>	<i>Supporting Services</i>		
		<i>Management and General</i>	<i>Fundraising</i>	<i>Total</i>		<i>Management and General</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and wages	\$ 164,040	\$ 35,627	\$ 41,337	\$ 241,004	\$ 176,227	\$ 35,836	\$ 22,384	\$ 234,447
Payroll taxes	14,505	2,901	1,934	19,340	13,247	2,649	1,766	17,662
Benefits	5,950	1,275	775	8,000	9,641	2,410	-	12,051
Independent contractors	10,706	150	-	10,856	17,814	1,585	-	19,399
Printing and postage	2,305	466	1,106	3,877	1,977	392	946	3,315
Materials and supplies	58,875	464	-	59,339	58,310	268	100	58,678
Facility expense	33,677	2,548	170	36,395	31,983	2,381	-	34,364
Professional fees	-	11,984	-	11,984	-	11,255	-	11,255
Office supplies and equipment	4,645	1,239	309	6,193	2,963	1,734	82	4,779
Small equipment purchases	6,144	-	-	6,144	2,968	-	-	2,968
Repairs and maintenance	3,750	-	-	3,750	4,123	-	-	4,123
Insurance	9,449	2,363	-	11,812	9,373	2,343	-	11,716
Fellowships	57,831	-	-	57,831	55,490	-	-	55,490
Telephone and internet services	1,739	579	579	2,897	1,530	510	510	2,550
Advertising	1,165	60	15	1,240	1,033	90	-	1,123
Travel and entertainment	5,936	1,654	1,451	9,041	6,630	1,969	1,221	9,820
Miscellaneous	8,599	16,713	-	25,312	4,772	1,842	100	6,714
Interest expense	21,449	1,262	2,524	25,235	21,148	2,643	2,643	26,434
In-kind expense	4,483	-	-	4,483	1,844	-	-	1,844
Long-range capital campaign	-	640	78,000	78,640	-	1,842	45,500	47,342
Depreciation and amortization	37,338	2,196	4,393	43,927	35,695	4,462	4,462	44,619
TOTAL	\$ 452,586	\$ 82,121	\$ 132,593	\$ 667,300	\$ 456,768	\$ 74,211	\$ 79,714	\$ 610,693