Interlochen Center for the Arts

Financial Statements
Years Ended May 31, 2015 and 2014

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

Interlochen Center for the Arts

Financial Statements
Years Ended May 31, 2015 and 2014

Interlochen Center for the Arts

Contents

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Independent Auditor's Report

Board of Trustees
Interlochen Center for the Arts
Interlochen, Michigan

We have audited the accompanying financial statements of Interlochen Center for the Arts, which comprise the statements of financial position as of May 31, 2015 and 2014, the related statements of activities and changes in net assets, 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 audits 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 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 Interlochen Center for the Arts as of May 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.

BDO USA, LLP

July 15, 2015

Financial Statements

Interlochen Center for the Arts

Statements of Financial Position

May 31,	**2015**	2014
Assets		
Cash and cash equivalents	**$ 13,614,597**	$ 10,439,715
Investments (Note 2 and 11)	**117,004,209**	109,086,729
Accounts receivable, net of allowance of $1,776,000 in 2015 and $1,450,000 in 2014	**188,379**	126,167
Gifts receivable, net (Note 3)	**7,389,479**	2,349,651
Prepaid expenses and other receivables	**476,364**	531,292
Inventories	**987,499**	1,050,155
Land, buildings and equipment, net (Note 4)	**39,601,770**	39,402,607
Other assets	**1,541,890**	1,512,263
Total Assets	**$ 180,804,187**	$ 164,498,579
Liabilities and Net Assets		
Liabilities		
Accounts payable - trade	**$ 717,939**	$ 582,949
Accrued liabilities	**3,865,499**	3,927,683
Tuition deposits and other	**12,632,949**	11,391,510
Annuities payable (Note 9)	**764,553**	689,112
Bonds payable (Note 5)	**26,300,000**	26,300,000
Total Liabilities	**44,280,940**	42,891,254
Net Assets		
Unrestricted	**82,612,017**	79,898,565
Temporarily restricted	**26,933,317**	15,957,699
Permanently restricted	**26,977,913**	25,751,061
Total Net Assets	**136,523,247**	121,607,325
Total Liabilities and Net Assets	**$ 180,804,187**	$ 164,498,579

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

Interlochen Center for the Arts

Statements of Activities and Changes in Net Assets

Year ended May 31,	2015 Unrestricted	2015 Temporarily Restricted	2015 Permanently Restricted	2015 Total	2014 Unrestricted	2014 Temporarily Restricted	2014 Permanently Restricted	2014 Total
Revenues and Other Additions								
Gross tuition and student fees	$ 40,000,930	$ -	$ -	$ 40,000,930	$ 37,735,652	$ -	$ -	$ 37,735,652
Assets released from restrictions:								
Operating item:								
Financial aid	3,595,438	(3,595,438)	-	-	3,161,425	(3,161,425)	-	-
Less financial aid grants	(12,251,190)	-	-	(12,251,190)	(11,917,652)	-	-	(11,917,652)
Net tuition and student fees	31,345,178	(3,595,438)	-	27,749,740	28,979,425	(3,161,425)	-	25,818,000
Ticket sales	2,513,429	-	-	2,513,429	2,152,491	-	-	2,152,491
Lodging	1,333,502	-	-	1,333,502	1,230,309	-	-	1,230,309
Retail sales	1,976,859	-	-	1,976,859	1,857,993	-	-	1,857,993
Contributions and grants	1,672,817	12,180,935	1,062,191	14,915,943	1,816,160	8,475,881	673,209	10,965,250
Net gain of investments, net of fees of $337,000 in 2015 and $274,000 in 2014 (Note 2)	4,185,248	2,407,580	-	6,592,828	7,425,449	3,581,103	-	11,006,552
Assets released from restrictions:								
Operating item:								
Cost of operations and general and administrative	424,453	(424,453)	-	-	604,886	(604,886)	-	-
Other revenues	806,283	23,116	-	829,399	846,029	16,429	-	862,458
Total revenues and other additions	44,257,769	10,591,740	1,062,191	55,911,700	44,912,742	8,307,102	673,209	53,893,053
Cost of Goods and Services								
Artist fees	1,498,169	-	-	1,498,169	1,243,130	-	-	1,243,130
Cost of goods sold	994,316	-	-	994,316	938,242	-	-	938,242
Total cost of goods and services	2,492,485	-	-	2,492,485	2,181,372	-	-	2,181,372
Cost of Operations								
Salaries, wages and benefits	25,537,568	-	-	25,537,568	24,207,005	-	-	24,207,005
Food costs	1,327,929	-	-	1,327,929	1,291,816	-	-	1,291,816
Contracted services	923,603	-	-	923,603	796,965	-	-	796,965
Supplies	2,851,891	-	-	2,851,891	2,477,840	-	-	2,477,840
Repairs and maintenance	1,087,345	-	-	1,087,345	1,054,853	-	-	1,054,853
Lease and rental	200,630	-	-	200,630	243,290	-	-	243,290
Utilities	894,217	-	-	894,217	914,989	-	-	914,989
Insurance	318,306	-	-	318,306	280,034	-	-	280,034
Telephone and postage	401,254	-	-	401,254	402,185	-	-	402,185
Other operational	207,118	-	-	207,118	255,226	-	-	255,226
Total cost of operations	33,749,861	-	-	33,749,861	31,924,203	-	-	31,924,203

Interlochen Center for the Arts

Statements of Activities and Changes in Net Assets

Year ended May 31,	2015 Unrestricted	2015 Temporarily Restricted	2015 Permanently Restricted	2015 Total	2014 Unrestricted	2014 Temporarily Restricted	2014 Permanently Restricted	2014 Total
General and Administrative								
Marketing	$ 747,616	$ -	$ -	$ 747,616	$ 762,525	$ -	$ -	$ 762,525
Travel and entertainment	955,881	-	-	955,881	983,448	-	-	983,448
Professional services	837,859	-	-	837,859	674,599	-	-	674,599
Other	422,596	-	-	422,596	477,497	-	-	477,497
Total general and administrative	2,963,952	-	-	2,963,952	2,898,069	-	-	2,898,069
Total expenses before depreciation (Note 7)	39,206,298	-	-	39,206,298	37,003,644	-	-	37,003,644
Increase in net assets before depreciation and non-operating items	5,051,471	10,591,740	1,062,191	16,705,402	7,909,098	8,307,102	673,209	16,889,409
Depreciation Expense (Note 7)	1,789,480	-	-	1,789,480	1,790,782	-	-	1,790,782
Assets Released From Restrictions/Transfers								
Non-operating items:								
Capital and other	(548,539)	383,878	164,661	-	392,934	(343,100)	(49,834)	-
Net Increase in Net Assets	2,713,452	10,975,618	1,226,852	14,915,922	6,511,250	7,964,002	623,375	15,098,627
Net Assets, beginning of year	79,898,565	15,957,699	25,751,061	121,607,325	73,387,315	7,993,697	25,127,686	106,508,698
Net Assets, end of year	$ 82,612,017	$ 26,933,317	$ 26,977,913	$ 136,523,247	$ 79,898,565	$ 15,957,699	$ 25,751,061	$ 121,607,325

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

Interlochen Center for the Arts

Statements of Cash Flows

Year ended May 31,	**2015**	2014
Cash Flows From (for) Operating Activities		
Net increase in net assets	**$ 14,915,922**	$ 15,098,627
Adjustments to reconcile net increase in net assets to net cash from operating activities:		
Depreciation and amortization	**1,800,195**	1,801,497
Loss on disposal of assets	**-**	4,745
Net change in realized and unrealized gain on investments	**(4,791,696)**	(8,934,382)
Bad debt expense	**325,814**	246,039
Increase in gifts and accounts receivable	**(5,427,854)**	(1,811,822)
Decrease (increase) in inventories	**62,656**	(67,675)
Decrease in prepaid expenses and other receivables	**54,928**	488,550
Increase in other assets	**(40,342)**	(56,904)
Increase in accounts payable - trade	**134,990**	155,690
Increase (decrease) in accrued liabilities	**(62,184)**	629,172
Increase in tuition deposits and other	**1,241,439**	1,680,608
Restricted contributions	**(1,062,191)**	(673,209)
Net cash from operating activities	**7,151,677**	8,560,936
Cash Flows From (for) Investing Activities		
Purchases of property and equipment	**(1,988,643)**	(1,315,490)
Purchases of investments	**(81,693,806)**	(133,958,296)
Proceeds from sale of investments	**78,568,022**	122,456,589
Proceeds from sale of assets	**-**	494,323
Net cash for investing activities	**(5,114,427)**	(12,322,874)
Cash Flows From (for) Financing Activities		
Proceeds from restricted contributions	**1,062,191**	673,209
Proceeds from contributions of annuity agreements	**191,215**	88,282
Payments on annuity agreements	**(115,774)**	(120,275)
Net cash from financing activities	**1,137,632**	641,216
Net Increase (Decrease) in Cash and Cash Equivalents	**3,174,882**	(3,120,722)
Cash and Cash Equivalents, beginning of year	**10,439,715**	13,560,437
Cash and Cash Equivalents, end of year	**$ 13,614,597**	$ 10,439,715
Supplemental Disclosure of Cash Flow Information		
Interest paid during the year	**$ 10,634**	$ 15,397

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

1. Nature of Organization and Significant Accounting Policies

Organization and Purpose

Interlochen Center for the Arts (the Center) is a nonprofit organization which operates a summer arts education camp with enrollment of approximately 2,500 students, a co-educational boarding school with enrollment of approximately 500 students, and two 24-hour listener-supported public radio stations (classic music and news). Instruction is geared for the advancement of dance, music, visual arts, theatre, motion picture arts, comparative arts and creative writing.

On January 23, 2009, the Canada Revenue Agency approved the registration of Canadian Friends of Interlochen (CFI) as a tax-exempt, registered charity under paragraph 149(1)(f) of the Canadian Income Tax Act. The purpose of CFI is to advance education by enhancing the learning experience of the students attending the Center by providing scholarships and awards. CFI's fiscal year-end is May 31. During the fiscal years ended May 31, 2015 and 2014, CFI's activity was insignificant. CFI had total assets of C$175,662 and C$42,876 as of May 31, 2015 and 2014, respectively. CFI had total net assets of C$175,662 and C$42,876 as of May 31, 2015 and 2014, respectively. CFI has not been consolidated with the Center for the Center's financial statements as of and for the years ended May 31, 2015 and 2014.

Basis of Presentation

The Center prepares its financial statements on the accrual basis of accounting and in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Asset Classifications

Unrestricted Net Assets: Unrestricted net assets are used to account for transactions related to the fine arts and academic programs as determined by the Board of Trustees and carried out by the administration.

Temporarily Restricted Net Assets: Temporarily restricted net assets are used to account for transactions related to scholarships, donor-restricted contributions related to fine arts and academic programs, income from endowment contributions which can only be expended as stipulated by the donor, and contributions and grants that are unexpended related to land, building and equipment.

Permanently Restricted Net Assets: Endowment funds result from contributed assets which have donor-imposed restrictions which do not expire. The principal of these funds is permanently maintained.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, money market funds, and short-term investments with original maturities of three months or less.

Concentration of Credit Risk Arising From Deposit Accounts

The Center maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Additionally, the Center maintains a money market mutual fund account that is insured by the Securities Investors Protection Corporation (SIPC) up to $500,000. In addition to the SIPC limit, the money market mutual fund account is insured by other insurers. The Center evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

Investments

The Center records all investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. Gains or losses on investments are reported in the statements of activities and changes in net assets as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Alternative investments that do not have readily determinable market values as of May 31 are valued by the fund managers. Because of the inherent uncertainty of valuations in the absence of a highly liquid market, alternative investments' estimated values may differ materially from the values that would have been used if a ready market for the securities existed.

Accounts Receivable

The Center records accounts receivable at net collectible value. Management reviews all the individual student accounts receivable as of May 31, and establishes an allowance for doubtful accounts based on specific assessments of each account as necessary. All amounts deemed uncollectible are charged against income for that school year.

Inventories

Inventories of maintenance and operating supplies and merchandise are stated on the basis of the lower of cost (first-in, first-out method) or market.

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or, if donated, at market value at the date of donation and, excluding land, are depreciated over their estimated useful lives using the straight-line depreciation method. Estimated useful lives used for depreciation are 20 years for land improvements, 20–45 years for buildings, and 3–20 years for furniture and equipment. Costs of construction in progress are transferred to the applicable property and equipment category once the construction is complete.

Other Assets

Other assets include deferred financing costs of $203,576 and $214,291 as of May 31, 2015 and 2014, respectively, which are being straight-line amortized over the life of the Center's Variable Rate Demand Revenue and Revenue Refunding Bonds, Series 2004 (the Series 2004 Bonds). Amortization expense was $10,715 as of May 31, 2015 and 2014.

Other assets also include broadcasting licenses for three FM stations as follows:

May 31,		**2015**		2014
Broadcasting Licenses				
88.5 MHz - Mackinaw City, Michigan	$	**496,600**	$	496,600
89.7 MHz - Manistee, Michigan		**215,065**		215,065
90.1 MHz - Harbor Springs, Michigan		**282,513**		282,513
Total Broadcasting Licenses	$	**994,178**	$	994,178

In accordance with accounting standards for goodwill and other intangible assets, the broadcasting licenses have an indefinite useful life. The Center tests the broadcasting licenses for impairment annually, or more frequently if events or changes in circumstances indicate a possibility of impairment.

Tuition Deposits and Other

All tuition deposits relating to the summer arts and education camp that will occur after year-end were deferred at May 31, 2015 and 2014.

Contributions, and Grant and Gifts Receivable

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities and changes in the net assets as net assets released from restrictions. Unrestricted contributions and donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

Revenue Recognition

Tuition and student fees and other revenue are recognized ratably over the applicable enrollment period or as earned.

Income Tax Status

The Center is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the Center is subject to unrelated business income tax (UBIT). Annually, the Center pays an insignificant amount of UBIT. The Center believes it is no longer subject to examinations prior to June 1, 2010.

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 and 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.

Self-Insurance

The Center is self-insured for medical benefits up to certain limits, as provided in the agreements with its insurance carrier. Operations are charged with the cost of claims reported. A provision has been made for estimated claims incurred but not reported.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including July 15, 2015, the date the financial statements were available to be issued.

2. Investments

A summary of investments at fair value, based on quoted market prices or current estimated fair value if considered a non-marketable security, held by the Center as of May 31, 2015 and 2014 is as follows:

	2015	2014
Mutual funds		
Fixed income	**$ 18,358,590**	$ 17,616,393
Equity securities	**75,717,687**	70,894,159
Real estate	**6,721,836**	6,964,482
Commodities	**37,292**	53,050
Money market	**495,515**	293,889
Asset allocation	**9,720,206**	8,679,837
Private equity	**5,953,083**	4,584,919
Total Investments	**$ 117,004,209**	$ 109,086,729

Net gain of investments of $6,592,828 in 2015 represents $1,801,133 of interest and dividends, $5,496,228 of net realized gains on investments, and $704,533 of net unrealized losses on investments.

Net gain of investments of $11,006,552 in 2014 represents $2,072,170 of interest and dividends, $10,013,982 of net realized gains on investments, and $1,079,600 of net unrealized losses on investments.

No significant investments with unrealized losses have been in a continuous loss position for 12 months or longer.

The Center invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

3. Gifts Receivable

The Center has received unconditional promises from donors to make contributions to the Center. The contributions as of May 31, 2015 and 2014 are to be received as follows:

	2015	2014
Receivable in less than one year	**$ 2,138,307**	$ 845,172
Receivable in one to five years	**4,705,726**	740,843
Receivable in more than five years	**558,551**	783,551
Less present value discount	**(13,105)**	(19,915)
Gifts Receivable, net	**$ 7,389,479**	$ 2,349,651

The Center had no allowance for uncollectible promises receivable as of May 31, 2015 and 2014. The Center calculated the present value of future cash flows using the applicable U.S. Treasury Rate at the time the gift receivable was recorded.

The Center has received conditional promises from donors to make contributions to the Center, primarily bequests, totaling $56,000,000.

4. Land, Buildings and Equipment

Land, buildings and equipment as of May 31, 2015 and 2014 are summarized by major classification as follows:

	2015	2014
Land	**$ 479,781**	$ 479,781
Land improvements	**3,769,780**	3,113,169
Buildings	**57,018,748**	56,071,367
Furniture and equipment	**21,569,564**	21,286,134
Construction in progress (estimated cost to complete $58,000,000)	**298,443**	197,222
	83,136,316	81,147,673
Less accumulated depreciation	**(43,534,546)**	(41,745,066)
Land, Buildings and Equipment, net	**$ 39,601,770**	$ 39,402,607

5. Bonds Payable

Bonds payable at May 31, 2015 and 2014 consist of the following:

	2015	2014
Tax-exempt, Economic Development Bonds issued through the Township of Green Lake, Michigan; interest at a variable rate (between 0.01% and 0.13% during fiscal 2015) with the entire principal due at final maturity in June 2034.	**$ 26,300,000**	$ 26,300,000

Under the terms of the Series 2004 Bonds agreement, the Center must maintain an irrevocable letter of credit to secure the payment of the principal amount of the bonds, plus 35 days' accrued interest thereon. The existing letter of credit, in the amount of $26,552,192 (outstanding principal plus 35 days' interest at 10%), expires in September 2017. The agreement contains certain financial covenants, an asset maintenance ratio and debt service coverage ratio, with which the center was in compliance at May 31, 2015.

Under the terms of the indenture and related agreements, bondholders have the option to redeem or put the bonds when the interest rate is reset daily. If the remarketing agent cannot remarket the bonds, the trustee would draw on the letter of credit to pay those bondholders exercising their option. The Center is required to repay the interest on the amount drawn under the letter of credit monthly at the agent's prime rate, an effective rate of 3.25% at May 31, 2015. The principal amount drawn on the letter of credit is due within 180 days.

Due to the remarketing agreement, it is possible, but not expected, that all of the outstanding debt would be current if these bonds are not able to be remarketed.

The Center secured a $3,000,000 line of credit in September 2011 that expires in September 2016. As of May 31, 2015 and 2014, the Center had no outstanding balance on the line of credit. The Center has two options for the interest rate on the line of credit. At the time the line is drawn upon, the Center's management may select the London Interbank Offered Rate (LIBOR) for a term of thirty, sixty, or ninety days plus one hundred basis points or the base rate plus one hundred basis points. The base rate is the greatest of the prime rate, federal funds rate plus fifty basis points and LIBOR plus one hundred basis points.

6. Retirement Plan

The Center has a defined contribution retirement plan for all eligible employees. Employer contributions are based upon a percentage of employee compensation for the year, and costs accrued under the plan are funded to a trust on a current basis. Expenses under the plan for the years ended May 31, 2015 and 2014 were $1,547,789 and $1,475,389, respectively, net of forfeitures.

7. Functional Expenses

The Center's department classification is the basis for allocating costs among the functional classifications. The method used is considered reasonable; however, other methods could produce different results.

Expenses incurred in functional areas for the years ended May 31, 2015 and 2014 include allocations of certain common expenses and are as follows:

	2015	2014
Program Expenses		
Education programs and services	**$ 14,597,262**	$ 13,876,638
Media, presentation and regional program	**4,170,180**	3,795,581
Human and institutional resources	**11,092,038**	10,979,866
Finance and institutional effectiveness	**2,917,099**	2,747,209
Total program expenses	**32,776,579**	31,399,294
Support Services		
Fundraising	**1,777,174**	1,720,840
Administration	**6,442,025**	5,674,292
Total support services	**8,219,199**	7,395,132
Total Functional Expenses	**$ 40,995,778**	$ 38,794,426

8. Contingencies

From time to time, the Center is party to various lawsuits and claims arising out of the normal conduct of its business. In the opinion of management, the financial position of the Center will not be materially affected by the final outcome of these legal proceedings.

9. Annuities Payable

The Center sponsors a program in which donors may transfer assets to the Center for the right to receive a predetermined return during their lifetimes (an annuity). Based upon the terms of each annuity agreement, the Center determines its liability under the agreement using the estimated present value of future payments to the annuitant. Such future payments are determined utilizing the life expectancy of the annuitant (based on 90CM Table for Males & Females) and the interest rate (discount rate), the applicable federal mid-term rate for U.S. Treasury Bills in effect (1.8% at May 31, 2015). The Center records the proceeds received in excess of the annuity payable as a charitable contribution, and such amounts totaled $107,901 and $0 for the years ended May 31, 2015 and 2014, respectively. At May 31, 2015 and 2014, the Center recorded $764,553 and $689,112, respectively, in annuities payable relating to such program.

10. Endowment

The Center's endowment includes both donor-restricted endowment funds and funds designated by the Center's management to function as endowments. Net assets associated with endowment funds, including funds designated by management to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Center and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Center.
7. The investment policies of the Center.

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The composition of endowment net assets by type of fund as of May 31, 2015 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ (214,856)	$ 6,927,587	$ 26,977,913	$ 33,690,644
Board-designated quasi endowment	69,901,515	-	-	69,901,515
Total Funds	$ 69,686,659	$ 6,927,587	$ 26,977,913	$ 103,592,159

The changes in endowment net assets for the fiscal year ended May 31, 2015 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, beginning of year	$ 51,985,557	$ 6,317,949	$ 25,751,061	$ 84,054,567
Investment Return				
Interest and dividends	675,548	493,527	-	1,169,075
Net appreciation of investments	1,760,441	1,286,103	-	3,046,544
Net investment return	2,435,989	1,779,630	-	4,215,619
Other Changes				
Transfers for donor intent changes	(45,534)	45,534	164,661	164,661
Annuity changes	(37,600)	-	-	(37,600)
Transfers to create Board-designated endowment funds	17,134,635	-	-	17,134,635
Total other changes	17,051,501	45,534	164,661	17,261,696
Contributions	194,065	-	1,062,191	1,256,256
Appropriation of Endowment Assets for Expenditures	(1,980,453)	(1,215,526)	-	(3,195,979)
Endowment Net Assets, end of year	$ 69,686,659	$ 6,927,587	$ 26,977,913	$ 103,592,159

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The composition of endowment net assets by type of fund as of May 31, 2014 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ (220,085)	$ 6,317,949	$ 25,751,061	$ 31,848,925
Board-designated quasi endowment	52,205,642	-	-	52,205,642
Total Funds	$ 51,985,557	$ 6,317,949	$ 25,751,061	$ 84,054,567

The changes in endowment net assets for the fiscal year ended May 31, 2014 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, beginning of year	$ 46,520,458	$ 4,386,870	$ 25,127,686	$ 76,035,014
Investment Return				
Interest and dividends	1,006,767	555,408	-	1,562,175
Net appreciation of investments	4,339,844	2,394,184	-	6,734,028
Net investment return	5,346,611	2,949,592	-	8,296,203
Other Changes				
Transfers	-	-	(49,834)	(49,834)
Annuity changes	52,246	-	-	52,246
Transfers to create Board-designated endowment funds	1,488,926	-	-	1,488,926
Total other changes	1,541,172	-	(49,834)	1,491,338
Contributions	455,599	-	673,209	1,128,808
Appropriation of Endowment Assets for Expenditures	(1,878,283)	(1,018,513)	-	(2,896,796)
Endowment Net Assets, end of year	$ 51,985,557	$ 6,317,949	$ 25,751,061	$ 84,054,567

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were $214,856 and $220,085 as of May 31, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking returns that are large enough to preserve and enhance its real, inflation-adjusted purchasing power. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to achieve total returns that, over time, are better than the relevant market benchmarks.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center 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 Center 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.

Spending Policy, and How the Investment Objectives Relate to Spending Policy

The Center has a policy of appropriating for distribution each year 4.5% of its endowment fund's average fair value over the prior three years. Beginning with the fiscal year ended May 31, 2016, the Center's policy will be to appropriate for distribution each year 4.5% of its endowment fund's average fair value over the prior five years. The spending policy calculation is performed as of the end of February proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Center considered the long-term expected return on its endowment. Accordingly, over the long-term, the Center expects the current spending policy to allow its endowment to grow at a rate equivalent to or greater than inflation. This is consistent with the Center's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

11. Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The tables below present information about the Center's assets measured at fair value on a recurring basis at May 31, 2015 and 2014, and the valuation techniques used by the Center to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Center has the ability to access. The Center has investments that are valued using Level 1 inputs, which are obtained directly from investment statements prepared by the institution holding the investments.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. The fair value of the annuity payable was determined using Level 2 inputs.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

Alternative investments characterized as Level 3 investments consist of private equity investments that are not publicly traded and do not have a readily determined market. As a result, the Center values the alternative investments at net asset value which is based on the most recent valuation statement from the fund, annual audit reports from the fund, and subsequent purchases and liquidations of the fund.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Center's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

	Balance at May 31, 2015	Level 1	Level 2	Level 3
Investments				
Money Market Mutual Funds	$ 495,515	$ 495,515	$ -	$ -
U.S. Fixed Income, Core	6,729,224	6,729,224	-	-
U.S. Fixed Income, High Yield	7,176,411	7,176,411	-	-
International Fixed Income, Core	2,474,434	2,474,434	-	-
Treasury Inflation Protected Securities	1,978,521	1,978,521	-	-
U.S. Equity, Large Growth	361,866	361,866	-	-
U.S. Equity, Blend	39,307,230	39,307,230	-	-
U.S. Equity, Large Value	631,408	631,408	-	-
U.S. Equity, Small Capitalization	6,904,936	6,904,936	-	-
International Equity, Large Blend	23,352,021	9,588,844	13,763,177	-
International Equity, Emerging	5,160,226	5,160,226	-	-
Asset Allocation	9,720,206	9,720,206	-	-
Real Estate Securities	6,721,836	6,721,836	-	-
Commodities Securities	37,292	37,292	-	-
Private Equity	5,953,083	-	-	5,953,083
Total Investments	$ 117,004,209	$ 97,287,949	$ 13,763,177	$ 5,953,083

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	Balance at May 31, 2014	Level 1	Level 2	Level 3
Investments				
Money Market Mutual Funds	$ 293,889	$ 293,889	$ -	$ -
U.S. Fixed Income, Core	6,404,111	6,404,111	-	-
U.S. Fixed Income, High Yield	9,193,814	9,193,814	-	-
Treasury Inflation Protected Securities	2,018,468	2,018,468	-	-
U.S. Equity, Large Growth	373,912	373,912	-	-
U.S. Equity, Blend	37,487,209	28,686,198	8,801,011	-
U.S. Equity, Large Value	634,144	634,144	-	-
U.S. Equity, Small Capitalization	6,173,911	3,189	6,170,722	-
International Equity, Large Blend	21,358,586	7,796,558	13,562,028	-
International Equity, Emerging	4,866,397	4,866,397	-	-
Asset Allocation	8,679,837	8,679,837	-	-
Real Estate Securities	6,964,482	6,964,482	-	-
Commodities Securities	53,050	53,050	-	-
Private Equity	4,584,919	-	-	4,584,919
Total Investments	$ 109,086,729	$ 75,968,049	$ 28,533,761	$ 4,584,919

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. As a result, the unrealized gains and losses for these assets presented in the tables below may include changes in fair value that were attributable to both observable and unobservable inputs.

Changes in Level 3 assets measured at fair value on a recurring basis are as follows:

Balance, June 1, 2013	$ 3,990,514
Realized and unrealized gains, interest and dividends	498,939
Purchases	514,375
Sales	(418,909)
Balance, May 31, 2014	4,584,919
Realized and unrealized gains, interest and dividends	549,754
Purchases	1,342,087
Sales	(523,677)
Balance, May 31, 2015	$ 5,953,083

Investments in Entities That Calculate Net Asset Value Per Share

The Center holds shares or interests in an investment company at fiscal year-end where the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At fiscal year-end, the fair value and unfunded commitments of this investment are as follows:

May 31, 2015	Fair Value	Unfunded Commitments
Buyout (a)	$ 497,637	$ 78,716
Venture (b)	382,870	68,796
Real estate (c)	228,626	41,163
Debt (d)	343,008	50,366
Total	$ 1,452,141	$ 239,041

May 31, 2014	Fair Value	Unfunded Commitments
Buyout (a)	$ 578,431	$ 78,716
Venture (b)	427,706	68,796
Real estate (c)	263,340	41,163
Debt (d)	347,732	50,366
Total	$ 1,617,209	$ 239,041

According to the agreements for the private equity fund above, the Center is invested in a closed-end, illiquid private equity vehicle, and as such there is no redemption frequency. The duration of the private equity investments, including those that are measured at net asset value and those that are not, is expected to be approximately 7 to 11 years.

The private equity investments measured at net asset value above consists of a fund of funds that have a variety of underlying investments and investment strategies.

(a) Buyout: Invest in more established companies that are in need of some repair or growth in order to boost returns. Generally, interests are purchased through some combination of preferred shares and debt. There are various investment opportunities in buyout, such as: “buy and build” (purchasing a foundation platform company and building a larger company through acquisitions), “spin-offs” (non-core divisions that split from a parent company), “ownership transitions” (families or sole proprietors selling businesses), and “recapitalizations” (public companies being taken private through the repurchase of all outstanding common shares of stock). In addition to needing an equity infusion, some companies need to change their capital structure to facilitate growth.

(b) Venture: Invest in young companies with varying degrees of infrastructure, revenues and profits. Investments are typically made in cash through the purchase of preferred shares in the company. If the investment is in a concept alone, it is called “seed stage.” Depending on the degree to which the product line is complete, management positions are fully staffed, revenues are being generated and/or profits are being made, the investments are referred to as “early stage” (very new companies, largely underdeveloped), “mid stage” (more infrastructure, but no profits), and “late stage” (sufficiently developed to possibly issue public stock or attract interest from a strategic buyer soon).

(c) Real Estate: Provide capital to meet a number of different needs including new construction, renovation, or a change in property ownership or management. These investments may involve equity or debt. The major sub-sectors that comprise equity investments include the purchase of land (including timberland and farmland), the purchase of fully or partially leased commercial properties and the purchase of renovation properties (buying existing properties and upgrading them), as well as investments in new construction (called "development"). There are also investments that can be made on the debt side, including first mortgage lending, mezzanine lending, distressed lending (senior lending to troubled assets), and the purchase of real estate bank loans (pools of loans sold off by banks that want to lower the level of reserve capital that must be held against such loans).

(d) Debt: Provide lending to companies that are being restructured or re-capitalized. Among debt funds, there are two major sub-sectors: mezzanine debt and distressed debt. Mezzanine funds initiate lending to companies of all sizes, both private and public. Mezzanine lenders have a subordinated claim on the underlying assets relative to senior lenders (banks, bondholders, etc.) and, in return, can charge a higher interest rate on the debt. Distressed debt funds can buy existing public and/or private debt of distressed companies. Distressed debt funds can be further broken down into two groups: (1) those where general partners take control of the distressed companies and work through the bankruptcy process to pick new managers and strategies for restructuring, and (2) those where general partners do not take control of these companies and instead focus on trading the distressed securities.

Supplementary Information

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Independent Auditor's Report on Supplementary Information

Our audits of the financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report 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.

BDO USA, LLP

July 15, 2015

Interlochen Center for the Arts

Statement of Financial Position Allocated by Fund

	Unrestricted				Temporarily Restricted						Permanently Restricted	
May 31, 2015	Operating Funds	Designated Funds	Designated Endowment Funds	Total Unrestricted	Scholarship Funds	General Funds	Endowment Funds	Plant Funds	Agency Funds	Total Temporarily Restricted	Endowment Funds	Total
Assets												
Cash and cash equivalents	$ 3,019,086	$ 5,077,926	$ 2,520,490	$ 10,617,502	$ 145,232	$ 32,977	$ 285,893	$ 1,027,405	$ 8,289	$ 1,499,796	$ 1,497,299	$ 13,614,597
Investments	5,170,304	993,415	66,682,618	72,846,337	-	1,070,879	6,641,694	11,061,284	111,734	18,885,591	25,272,281	117,004,209
Accounts receivable, net of allowance of $1,776,000	188,379	-	-	188,379	-	-	-	-	-	-	-	188,379
Gifts receivable, net	29,642	-	483,551	513,193	87,000	486,550	-	6,094,403	-	6,667,953	208,333	7,389,479
Prepaid expenses and other receivables	476,364	-	-	476,364	-	-	-	-	-	-	-	476,364
Inventories	987,499	-	-	987,499	-	-	-	-	-	-	-	987,499
Land, buildings and equipment, net	39,601,770	-	-	39,601,770	-	-	-	-	-	-	-	39,601,770
Other assets	1,541,890	-	-	1,541,890	-	-	-	-	-	-	-	1,541,890
Total Assets	$ 51,014,934	$ 6,071,341	$ 69,686,659	$ 126,772,934	$ 232,232	$ 1,590,406	$ 6,927,587	$ 18,183,092	$ 120,023	$ 27,053,340	$ 26,977,913	$ 180,804,187
Liabilities and Net Assets												
Liabilities												
Accounts payable - trade	$ 717,939	$ -	$ -	$ 717,939	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 717,939
Accrued liabilities	3,745,476	-	-	3,745,476	-	-	-	-	120,023	120,023	-	3,865,499
Tuition deposits and other	12,632,949	-	-	12,632,949	-	-	-	-	-	-	-	12,632,949
Annuities payable	764,553	-	-	764,553	-	-	-	-	-	-	-	764,553
Bonds payable	26,300,000	-	-	26,300,000	-	-	-	-	-	-	-	26,300,000
Total Liabilities	44,160,917	-	-	44,160,917	-	-	-	-	120,023	120,023	-	44,280,940
Net Assets												
Unrestricted	6,854,017	6,071,341	69,686,659	82,612,017	-	-	-	-	-	-	-	82,612,017
Temporarily restricted	-	-	-	-	232,232	1,590,406	6,927,587	18,183,092	-	26,933,317	-	26,933,317
Permanently restricted	-	-	-	-	-	-	-	-	-	-	26,977,913	26,977,913
Total Net Assets	6,854,017	6,071,341	69,686,659	82,612,017	232,232	1,590,406	6,927,587	18,183,092	-	26,933,317	26,977,913	136,523,247
Total Liabilities and Net Assets	$ 51,014,934	$ 6,071,341	$ 69,686,659	$ 126,772,934	$ 232,232	$ 1,590,406	$ 6,927,587	$ 18,183,092	$ 120,023	$ 27,053,340	$ 26,977,913	$ 180,804,187

See accompanying independent auditor's report on supplementary information.

Interlochen Center for the Arts

Schedule of Activities – Cost of Operations and General and Administrative Expenses Allocated by Fund

May 31, 2015	Unrestricted Operating Funds	Unrestricted Designated Funds	Unrestricted Designated Endowment Funds	Total Unrestricted	Temporarily Restricted Scholarship Funds	Temporarily Restricted General Funds	Temporarily Restricted Endowment Funds	Temporarily Restricted Plant Funds	Total Temporarily Restricted	Permanently Restricted Endowment Funds	Total
Revenues and Other Additions											
Gross tuition and student fees	$ 40,000,930	$ -	$ -	$ 40,000,930	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,000,930
Assets released from restrictions:											
Operating item:											
Financial aid	3,668,582	-	(73,144)	3,595,438	(2,640,618)	(8,533)	(946,287)	-	(3,595,438)	-	-
Less financial aid grants	(12,251,190)	-	-	(12,251,190)	-	-	-	-	-	-	(12,251,190)
Net tuition and student fees	31,418,322	-	(73,144)	31,345,178	(2,640,618)	(8,533)	(946,287)	-	(3,595,438)	-	27,749,740
Ticket sales	2,513,429	-	-	2,513,429	-	-	-	-	-	-	2,513,429
Lodging	1,333,502	-	-	1,333,502	-	-	-	-	-	-	1,333,502
Retail sales	1,976,859	-	-	1,976,859	-	-	-	-	-	-	1,976,859
Contributions and grants	1,329,292	149,460	194,065	1,672,817	2,649,151	870,668	-	8,661,116	12,180,935	1,062,191	14,915,943
Net gain of investments	-	1,749,259	2,435,989	4,185,248	-	71,334	1,779,630	556,616	2,407,580	-	6,592,828
Endowment allocation	1,344,800	-	-	1,344,800	(1,344,800)	-	-	-	(1,344,800)	-	-
Other revenues	807,900	35,983	(37,600)	806,283	-	3,064	-	20,052	23,116	-	829,399
Total revenues and other additions	40,724,104	1,934,702	2,519,310	45,178,116	(1,336,267)	936,533	833,343	9,237,784	9,671,393	1,062,191	55,911,700
Cost of Goods and Services											
Artist fees	1,474,842	12,052	-	1,486,894	-	11,275	-	-	11,275	-	1,498,169
Cost of goods sold	994,316	-	-	994,316	-	-	-	-	-	-	994,316
Total cost of goods and services	2,469,158	12,052	-	2,481,210	-	11,275	-	-	11,275	-	2,492,485
Cost of Operations											
Salaries, wages and benefits	25,371,608	24,791	-	25,396,399	-	141,169	-	-	141,169	-	25,537,568
Food costs	1,327,629	-	-	1,327,629	-	300	-	-	300	-	1,327,929
Contracted services	743,765	173,439	-	917,204	-	949	-	5,450	6,399	-	923,603
Supplies	1,210,372	1,480,896	-	2,691,268	-	138,797	-	21,826	160,623	-	2,851,891
Repairs and maintenance	994,429	87,006	-	1,081,435	-	4,902	-	1,008	5,910	-	1,087,345
Leases and rentals	190,500	7,037	-	197,537	-	3,093	-	-	3,093	-	200,630
Utilities	894,217	-	-	894,217	-	-	-	-	-	-	894,217
Insurance	307,306	-	-	307,306	-	11,000	-	-	11,000	-	318,306
Telephone and postage	397,807	392	-	398,199	-	3,055	-	-	3,055	-	401,254
Other operational	36,395	134,776	32,468	203,639	-	3,479	-	-	3,479	-	207,118
Total cost of operations	31,474,028	1,908,337	32,468	33,414,833	-	306,744	-	28,284	335,028	-	33,749,861

Interlochen Center for the Arts

Schedule of Activities – Cost of Operations and General and Administrative Expenses Allocated by Fund

May 31, 2015	Unrestricted: Operating Funds	Unrestricted: Designated Funds	Unrestricted: Designated Endowment Funds	Total Unrestricted	Temporarily Restricted: Scholarship Funds	Temporarily Restricted: General Funds	Temporarily Restricted: Endowment Funds	Temporarily Restricted: Plant Funds	Total Temporarily Restricted	Permanently Restricted: Endowment Funds	Total
General and Administrative											
Marketing	$ 744,193	$ 625	$ -	$ 744,818	$ -	$ 2,798	$ -	$ -	$ 2,798	$ -	$ 747,616
Travel and entertainment	846,130	59,823	-	905,953	593	49,335	-	-	49,928	-	955,881
Professional services	385,678	437,084	-	822,762	-	3,956	-	11,141	15,097	-	837,859
Other	349,586	65,476	(2,793)	412,269	-	10,327	-	-	10,327	-	422,596
Total general and administrative	2,325,587	563,008	(2,793)	2,885,802	593	66,416	-	11,141	78,150	-	2,963,952
Total expenses before Board-designated expenditures and depreciation	36,268,773	2,483,397	29,675	38,781,845	593	384,435	-	39,425	424,453	-	39,206,298
Increase (decrease) in net assets before Board-designated expenditures, depreciation and non-operating items	4,455,331	(548,695)	2,489,635	6,396,271	(1,336,860)	552,098	833,343	9,198,359	9,246,940	1,062,191	16,705,402
Board-Designated Expenditures	226,053	(226,053)	-	-	-	-	-	-	-	-	-
Increase (decrease) in net assets before depreciation and non-operating items	4,229,278	(322,642)	2,489,635	6,396,271	(1,336,860)	552,098	833,343	9,198,359	9,246,940	1,062,191	16,705,402
Depreciation Expense	1,789,480	-	-	1,789,480	-	-	-	-	-	-	1,789,480
Assets Released From Restrictions/Transfers											
Non-operating items - capital and other	(2,251,973)	(14,852,833)	15,211,467	(1,893,339)	1,347,300	(98,563)	(223,705)	703,646	1,728,678	164,661	-
Net Increase (Decrease) in Net Assets	187,825	(15,175,475)	17,701,102	2,713,452	10,440	453,535	609,638	9,902,005	10,975,618	1,226,852	14,915,922
Net Assets, beginning of year	6,666,192	21,246,816	51,985,557	79,898,565	221,792	1,136,871	6,317,949	8,281,087	15,957,699	25,751,061	121,607,325
Net Assets, end of year	$ 6,854,017	$ 6,071,341	$ 69,686,659	$ 82,612,017	$ 232,232	$ 1,590,406	$ 6,927,587	$ 18,183,092	$ 26,933,317	$ 26,977,913	$ 136,523,247

See accompanying independent auditor's report on supplementary information.