



Interlochen Center for the Arts

Financial Statements
(and supplementary information)
Years Ended May 31, 2018 and 2017

Interlochen Center for the Arts

Financial Statements (and supplementary information)
Years Ended May 31, 2018 and 2017

Interlochen Center for the Arts

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position as of May 31, 2018 and 2017	6
Statements of Activities and Changes in Net Assets for the Years Ended May 31, 2018 and 2017	7-8
Statements of Cash Flows for the Years Ended May 31, 2018 and 2017	9
Notes to Financial Statements	10-22
Supplementary Information	
Independent Auditor's Report on Supplementary Information	24
Statement of Financial Position Allocated by Fund as of May 31, 2018	25
Schedule of Activities - Cost of Operations and General and Administrative Expenses Allocated by Fund for the Year Ended May 31, 2018	26-27



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, 2018 and 2017, and 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, 2018 and 2017, 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 12, 2018

Financial Statements

Interlochen Center for the Arts

Statements of Financial Position

<i>May 31,</i>	2018	2017
Assets		
Cash and cash equivalents	\$ 11,316,415	\$ 13,397,253
Investments (Notes 2 and 11)	138,815,056	128,040,508
Accounts receivable, net of allowance of approximately \$2,777,000 in 2018 and \$2,581,000 in 2017	253,935	166,668
Gifts receivable (Note 3)	7,273,406	9,558,983
Prepaid expenses and other receivables	664,638	812,620
Inventories	982,497	1,033,204
Land, buildings and equipment, net (Note 4)	56,119,923	48,980,778
Other assets	994,686	1,422,593
Total Assets	\$ 216,420,556	\$ 203,412,607
Liabilities and Net Assets		
Liabilities		
Accounts payable - trade	\$ 691,791	\$ 816,350
Accrued liabilities	6,910,461	4,243,317
Tuition deposits and other	12,631,163	12,115,758
Annuities payable (Note 9)	555,063	698,870
Bonds payable, net of debt issuance costs of \$171,431 in 2018 and \$182,146 in 2017 (Note 5)	25,228,569	25,217,854
Total Liabilities	46,017,047	43,092,149
Net Assets		
Unrestricted	110,909,326	98,258,788
Temporarily restricted	27,000,245	30,951,692
Permanently restricted	32,493,938	31,109,978
Total Net Assets	170,403,509	160,320,458
Total Liabilities and Net Assets	\$ 216,420,556	\$ 203,412,607

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

Interlochen Center for the Arts

Statements of Activities and Changes in Net Assets

<i>Year ended May 31,</i>	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Additions								
Gross tuition and student fees	\$ 43,640,112	\$ -	\$ -	\$ 43,640,112	\$ 42,605,941	\$ -	\$ -	\$ 42,605,941
Assets released from restrictions:								
Operating item:								
Financial aid	3,885,369	(3,885,369)	-	-	3,224,308	(3,224,308)	-	-
Less financial aid grants	(13,769,665)	-	-	(13,769,665)	(12,456,963)	-	-	(12,456,963)
Net tuition and student fees	33,755,816	(3,885,369)	-	29,870,447	33,373,286	(3,224,308)	-	30,148,978
Ticket sales	2,140,581	-	-	2,140,581	2,485,871	-	-	2,485,871
Lodging	1,370,879	-	-	1,370,879	1,466,416	-	-	1,466,416
Retail sales	1,914,785	1,910	-	1,916,695	1,989,716	-	-	1,989,716
Contributions and grants	1,556,993	5,285,596	1,383,212	8,225,801	4,913,599	8,279,615	3,313,440	16,506,654
Net gain on investments, net of fees of \$234,000 in 2018 and \$219,000 in 2017 (Note 2)	7,267,071	4,211,801	-	11,478,872	9,185,231	5,415,008	-	14,600,239
Assets released from restrictions:								
Operating item:								
Cost of operations and general and administrative	1,055,675	(1,055,675)	-	-	843,776	(843,776)	-	-
Other revenues	1,290,755	3,400	748	1,294,903	1,003,045	3,841	-	1,006,886
Total revenues and other additions	50,352,555	4,561,663	1,383,960	56,298,178	55,260,940	9,630,380	3,313,440	68,204,760
Cost of Goods and Services								
Artist fees	1,418,785	-	-	1,418,785	1,547,346	-	-	1,547,346
Cost of goods sold	989,062	-	-	989,062	989,939	-	-	989,939
Total cost of goods and services	2,407,847	-	-	2,407,847	2,537,285	-	-	2,537,285
Cost of Operations								
Salaries, wages and benefits	29,357,408	-	-	29,357,408	27,971,100	-	-	27,971,100
Food costs	1,416,459	-	-	1,416,459	1,421,448	-	-	1,421,448
Contracted services	1,153,178	-	-	1,153,178	1,082,023	-	-	1,082,023
Supplies	2,630,308	-	-	2,630,308	2,617,423	-	-	2,617,423
Repairs and maintenance	909,938	-	-	909,938	942,672	-	-	942,672
Lease and rental	337,467	-	-	337,467	432,849	-	-	432,849
Utilities	947,076	-	-	947,076	882,216	-	-	882,216
Insurance	337,483	-	-	337,483	311,404	-	-	311,404
Telephone and postage	559,094	-	-	559,094	593,536	-	-	593,536
Other operational	297,568	-	-	297,568	283,612	-	-	283,612
Total cost of operations	37,945,979	-	-	37,945,979	36,538,283	-	-	36,538,283

Interlochen Center for the Arts
Statements of Activities and Changes in Net Assets

<i>Year ended May 31,</i>	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
General and Administrative								
Marketing	\$ 964,220	\$ -	\$ -	\$ 964,220	\$ 805,166	\$ -	\$ -	\$ 805,166
Travel and entertainment	1,157,933	-	-	1,157,933	1,170,139	-	-	1,170,139
Professional services	895,346	-	-	895,346	1,047,427	-	-	1,047,427
Other	929,999	-	-	929,999	733,613	-	-	733,613
Total general and administrative	3,947,498	-	-	3,947,498	3,756,345	-	-	3,756,345
Total expenses before depreciation (Note 7)	44,301,324	-	-	44,301,324	42,831,913	-	-	42,831,913
Increase in net assets before depreciation and non-operating items	6,051,231	4,561,663	1,383,960	11,996,854	12,429,027	9,630,380	3,313,440	25,372,847
Depreciation Expense (Note 7)	1,913,803	-	-	1,913,803	1,826,711	-	-	1,826,711
Assets Released From Restrictions/Transfers								
Non-operating items:								
Capital and other	8,513,110	(8,513,110)	-	-	4,999,140	(4,999,140)	-	-
Net Increase (Decrease) in Net Assets	12,650,538	(3,951,447)	1,383,960	10,083,051	15,601,456	4,631,240	3,313,440	23,546,136
Net Assets, beginning of year	98,258,788	30,951,692	31,109,978	160,320,458	82,657,332	26,320,452	27,796,538	136,774,322
Net Assets, end of year	\$ 110,909,326	\$ 27,000,245	\$ 32,493,938	\$ 170,403,509	\$ 98,258,788	\$ 30,951,692	\$ 31,109,978	\$ 160,320,458

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

Interlochen Center for the Arts

Statements of Cash Flows

<i>Year ended May 31,</i>	2018	2017
Cash Flows From (for) Operating Activities		
Net increase in net assets	\$ 10,083,051	\$ 23,546,136
Adjustments to reconcile net increase in net assets to net cash from operating activities:		
Depreciation and amortization	1,924,518	1,837,426
Gain on disposal of assets	(139,579)	-
Net change in realized and unrealized gain on investments	(8,406,441)	(11,205,889)
Bad debt expense	195,407	435,700
Change in value of charitable gift annuities	(35,831)	82,823
Decrease (increase) in gifts and accounts receivable	2,002,903	(571,787)
Decrease (increase) in prepaid expenses and other receivables	147,982	(154,656)
Decrease in inventories	50,707	54,092
Decrease (increase) in other assets	427,907	(67,550)
Increase (decrease) in accounts payable - trade	(124,559)	84,248
Increase (decrease) in accrued liabilities	2,667,144	(1,056,170)
Increase (decrease) in tuition deposits and other	515,405	(289,013)
Restricted contributions	(1,383,212)	(3,313,440)
Net cash from operating activities	7,925,402	9,381,920
Cash Flows From (for) Investing Activities		
Purchases of property and equipment	(9,063,369)	(6,406,971)
Purchases of investments	(22,010,477)	(17,284,159)
Proceeds from sale of investments	19,642,370	13,776,942
Proceeds from sale of assets	150,000	-
Net cash for investing activities	(11,281,476)	(9,914,188)
Cash Flows From (for) Financing Activities		
Proceeds from restricted contributions	1,383,212	3,313,440
Payments on annuity agreements	(107,976)	(116,876)
Net cash from financing activities	1,275,236	3,196,564
Net Increase (Decrease) in Cash and Cash Equivalents	(2,080,838)	2,664,296
Cash and Cash Equivalents, beginning of year	13,397,253	10,732,957
Cash and Cash Equivalents, end of year	\$ 11,316,415	\$ 13,397,253
Supplemental Disclosure of Cash Flow Information		
Interest paid during the year	\$ 257,681	\$ 142,564

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

Interlochen Center for the Arts

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, 2018 and 2017, CFI's activity was insignificant. CFI had total assets of C\$106,537 and C\$146,014 as of May 31, 2018 and 2017, respectively. CFI had total net assets of (C\$16,668) and C\$17,209 as of May 31, 2018 and 2017, respectively. CFI has not been consolidated with the Center for the Center's financial statements as of and for the years ended May 31, 2018 and 2017.

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.

Interlochen Center for the Arts

Notes to Financial Statements

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, such as private equity investments, that do not have readily determinable market values as of May 31 are valued by the fund managers at net asset value. 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 estimated 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 net realizable value.

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.

The remainder of this page intentionally left blank.

Interlochen Center for the Arts

Notes to Financial Statements

Other Assets

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

<i>May 31,</i>	2018	2017
Broadcasting License		
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, 2018 and 2017.

Contributions, and Grants 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, student fees, ticket sales, lodging, retail sales 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.

Interlochen Center for the Arts

Notes to Financial Statements

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 12, 2018, the date the financial statements were available to be issued.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-14, to improve the presentation of financial statements of not-for-profit entities such as charities, foundations, universities and nonprofit health care providers. The changes to the nonprofit financial statement model are intended to provide more useful information to donors, grantors and other users. The ASU addresses net asset classes, investment return, expenses, liquidity and availability of resources and presentation of operating cash flows and includes illustrative financial statements for not-for-profit entities reflecting the changes made by the new standard. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and early adoption is permitted. The Center is currently evaluating the effect the provisions of ASU 2016-14 will have on its financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is currently effective for annual periods beginning after December 15, 2017, and early adoption is permitted. In addition, the new standard is effective for interim periods within annual periods that begin after December 15, 2018. The Center is currently evaluating the impact of the adoption of ASU 2014-09 on its financial statements.

Interlochen Center for the Arts

Notes to Financial Statements

2. Investments

A summary of investments at fair value (net asset value for private equity investments), based on quoted market prices or current estimated fair value if considered a non-marketable security, held by the Center as of May 31, 2018 and 2017 is as follows:

	2018	2017
Mutual funds		
Fixed income	\$ 30,125,778	\$ 27,918,272
Equity securities	85,039,290	77,542,863
Real estate	5,523,775	6,968,381
Commodities	33,300	30,031
Money market	561,565	216,466
Asset allocation	10,571,938	9,341,769
Private equity	6,959,410	6,022,726
Total Investments	\$ 138,815,056	\$ 128,040,508

Net gain on investments of \$11,478,872 in 2018 represents \$3,072,431 of interest and dividends, \$2,436,988 of net realized gain on investments, and \$5,969,453 of net unrealized gains on investments.

Net gain on investments of \$14,600,239 in 2017 represents \$3,394,350 of interest and dividends, \$1,189,968 of net realized gain on investments, and \$10,015,921 of net unrealized gains on investments.

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 sheets.

3. Gifts Receivable

The Center has received unconditional gifts from donors to make contributions to the Center. The contributions as of May 31, 2018 and 2017 are to be received as follows:

	2018	2017
Receivable in less than one year	\$ 3,860,414	\$ 3,259,040
Receivable in one to five years	2,889,441	5,763,892
Receivable in more than five years	523,551	536,051
Gifts Receivable	\$ 7,273,406	\$ 9,558,983

The Center had no allowance for uncollectible gifts receivable as of May 31, 2018 and 2017. The Center has received conditional gifts from donors to make contributions to the Center, primarily bequests, totaling approximately \$69,000,000.

Interlochen Center for the Arts

Notes to Financial Statements

4. Land, Buildings and Equipment

Land, buildings and equipment as of May 31, 2018 and 2017 are summarized by major classification as follows:

	2018	2017
Land	\$ 479,781	\$ 479,781
Land improvements	4,818,080	4,511,953
Buildings	67,734,789	66,157,439
Furniture and equipment	23,383,456	22,761,460
Construction in progress (estimated cost to complete of approximately \$32,000,000)	8,522,124	2,192,624
	104,938,230	96,103,257
Less accumulated depreciation	(48,818,307)	(47,122,479)
Land, Buildings and Equipment, net	\$ 56,119,923	\$ 48,980,778

5. Bonds Payable

Bonds payable at May 31, 2018 and 2017 consist of the following:

	2018	2017
Tax-exempt, Economic Development Bonds issued through the Township of Green Lake, Michigan; interest at a variable rate (between 0.58% and 1.83% during fiscal 2018) with the entire principal due at final maturity in June 2034.	\$ 25,400,000	\$ 25,400,000

Under the terms of the Center's Variable Rate Demand Revenue and Revenue Refunding Bonds, Series 2004 (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 \$25,643,562 (outstanding principal plus 35 days' interest at 10%), expires in August 2019. 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, 2018.

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 4.75% at May 31, 2018. 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.

Interlochen Center for the Arts

Notes to Financial Statements

The Center has a line of credit in the amount of \$8,000,000 that expires in September 2019. As of May 31, 2018 and 2017, the Center had no outstanding balance on the line of credit. At the time the line of credit is drawn upon the Center's interest rate is the London Interbank Offered Rate for a term of thirty days plus one hundred basis points, effectively 2.98% as of May 31, 2018.

Bonds payable includes deferred financing costs of \$171,431 and \$182,146 as of May 31, 2018 and 2017, respectively, which are being straight-line amortized over the life of the Series 2004 Bonds. Amortization expense was \$10,715 for the years ended May 31, 2018 and 2017.

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, 2018 and 2017 were \$1,759,049 and \$1,671,478, 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, 2018 and 2017 include allocations of certain common expenses and are as follows:

	2018	2017
Program Expenses		
Education programs and services	\$ 16,359,986	\$ 15,781,425
Media, presentation and regional program	4,266,426	4,628,759
Human and institutional resources	11,519,460	11,409,374
Finance and institutional effectiveness	3,737,019	3,173,347
Total program expenses	35,882,891	34,992,905
Support Services		
Fundraising	2,231,694	2,162,917
Administration	8,100,542	7,502,802
Total support services	10,332,236	9,665,719
Total Functional Expenses	\$ 46,215,127	\$ 44,658,624

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.

Interlochen Center for the Arts

Notes to Financial Statements

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 (3.23% at May 31, 2018). The Center records the proceeds received in excess of the annuity payable as a charitable contribution, and such amounts totaled \$0 for both the years ended May 31, 2018 and 2017, respectively. At May 31, 2018 and 2017, the Center recorded \$555,063 and \$698,870, 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.

Interlochen Center for the Arts

Notes to Financial Statements

The composition of endowment net assets by type of fund as of May 31, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	\$ (210,495)	\$ 11,393,203	\$ 32,493,938	\$ 43,676,646
Board-designated quasi endowment	44,493,105	-	-	44,493,105
Total Funds	\$ 44,282,610	\$ 11,393,203	\$ 32,493,938	\$ 88,169,751

The changes in endowment net assets for the fiscal year ended May 31, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, beginning of year	\$ 69,172,817	\$ 9,087,695	\$ 31,109,978	\$ 109,370,490
Investment Return				
Interest and dividends	962,285	226,131	-	1,188,416
Net appreciation of investments	5,316,493	3,571,192	-	8,887,685
Net investment return	6,278,778	3,797,323	-	10,076,101
Other Changes				
Transfers to release Board-designated endowment funds	(29,752,642)	-	748	(29,751,894)
Transfers to create Board-designated endowment funds	139,579	-	-	139,579
Annuity changes	74,092	-	-	74,092
Total other changes	(29,538,971)	-	748	(29,538,223)
Contributions	-	-	1,383,212	1,383,212
Appropriation of Endowment Assets for Expenditures	(1,630,014)	(1,491,815)	-	(3,121,829)
Endowment Net Assets, end of year	\$ 44,282,610	\$ 11,393,203	\$ 32,493,938	\$ 88,169,751

The composition of endowment net assets by type of fund as of May 31, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	\$ (213,431)	\$ 9,087,695	\$ 31,109,978	\$ 39,984,242
Board-designated quasi endowment	69,386,248	-	-	69,386,248
Total Funds	\$ 69,172,817	\$ 9,087,695	\$ 31,109,978	\$ 109,370,490

Interlochen Center for the Arts

Notes to Financial Statements

The changes in endowment net assets for the fiscal year ended May 31, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, beginning of year	\$ 63,843,543	\$ 4,947,897	\$ 27,796,538	\$ 96,587,978
Investment Return				
Interest and dividends	1,788,659	206,362	-	1,995,021
Net appreciation of investments	6,525,934	4,010,862	-	10,536,796
Net investment return	8,314,593	4,217,224	-	12,531,817
Other Changes				
Transfers	(1,846,057)	1,200,000	-	(646,057)
Annuity changes	42,709	-	-	42,709
Transfers to create Board-designated endowment funds	179,713	-	-	179,713
Total other changes	(1,623,635)	1,200,000	-	(423,635)
Contributions	218,401	-	3,313,440	3,531,841
Appropriation of Endowment Assets for Expenditures	(1,580,085)	(1,277,426)	-	(2,857,511)
Endowment Net Assets, end of year	\$ 69,172,817	\$ 9,087,695	\$ 31,109,978	\$ 109,370,490

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 \$210,495 and \$213,431 as of May 31, 2018 and 2017, 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.

Interlochen Center for the Arts

Notes to Financial Statements

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 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, 2018 and 2017, 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 annuities 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 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 (NAV) 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. The adoption of ASU 2015-07 removed the requirement to categorize within the fair value hierarchy all investments where the fair value is measured using the NAV practical expedient.

Interlochen Center for the Arts

Notes to Financial Statements

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, May 31, 2018	Level 1	Level 2	Level 3
Investments				
Money market mutual funds	\$ 561,565	\$ 561,565	\$ -	\$ -
U.S. fixed income, core	17,058,981	17,058,981	-	-
International fixed income, core	2,712,713	2,712,713	-	-
U.S. fixed income, high yield	8,125,438	8,125,438	-	-
Treasury inflation protected securities	2,228,646	2,228,646	-	-
U.S. equity, blend	44,733,141	44,733,141	-	-
U.S. equity, large value	487,265	487,265	-	-
U.S. equity, small capitalization	8,340,522	8,340,522	-	-
International equity, large blend	27,390,600	14,043,792	13,346,808	-
International equity, emerging	4,087,762	4,087,762	-	-
Asset allocation	10,571,938	10,571,938	-	-
Real estate securities	5,523,775	5,523,775	-	-
Commodities securities	33,300	33,300	-	-
Total investments	131,855,646	118,508,838	13,346,808	-
Investments measured at net asset value as a practical expedient	6,959,410			
Total Investments at Fair Value	\$ 138,815,056	\$ 118,508,838	\$ 13,346,808	\$ -

	Balance, May 31, 2017	Level 1	Level 2	Level 3
Investments				
Money market mutual funds	\$ 216,466	\$ 216,466	\$ -	\$ -
U.S. fixed income, core	15,875,129	15,875,129	-	-
International fixed income, core	2,572,878	2,572,878	-	-
U.S. fixed income, high yield	7,220,327	7,220,327	-	-
Treasury inflation protected securities	2,249,938	2,249,938	-	-
U.S. equity, blend	40,766,038	40,766,038	-	-
U.S. equity, large value	556,035	556,035	-	-
U.S. equity, small capitalization	6,986,367	6,986,367	-	-
International equity, large blend	25,070,356	12,460,828	12,609,528	-
International equity, emerging	4,164,067	4,164,067	-	-
Asset allocation	9,341,769	9,341,769	-	-
Real estate securities	6,968,381	6,968,381	-	-
Commodities securities	30,031	30,031	-	-
Total investments	122,017,782	109,408,254	12,609,528	-
Investments measured at net asset value as a practical expedient	6,022,726			
Total Investments at Fair Value	\$ 128,040,508	\$ 109,408,254	\$ 12,609,528	\$ -

Interlochen Center for the Arts

Notes to Financial Statements

Investments in Entities That Calculate Net Asset Value Per Share

The following tables present a summary of private equity investments that calculates NAV as of May 31, 2018 and 2017:

<i>May 31, 2018</i>	Fair Value	Unfunded Commitments	Redemption Restrictions
Private Equity Funds			
Portfolio Advisors VI	\$ 1,611,043	\$ 1,096,790	(1)
Portfolio Advisors VII	1,551,618	912,687	(1)
Portfolio Advisors VIII	1,396,306	1,378,073	(1)
Portfolio Advisors IX	366,258	3,606,258	(1)
Portfolio Advisors Secondary Fund III	380,522	1,699,616	(1)
Goldman Sachs Vintage VII	752,721	1,095,255	(1)
HC Private Equity VI	900,942	239,041	(1)
	\$ 6,959,410	\$ 10,027,720	

<i>May 31, 2017</i>	Fair Value	Unfunded Commitments	Redemption Restrictions
Private Equity Funds			
Portfolio Advisors VI	\$ 2,008,398	\$ 1,096,790	(1)
Portfolio Advisors VII	1,596,964	1,162,403	(1)
Portfolio Advisors VIII	1,034,654	2,144,108	(1)
Portfolio Advisors IX	297,946	3,736,686	(1)
Goldman Sachs Vintage VII	56,852	1,960,000	(1)
HC Private Equity VI	1,027,912	239,041	(1)
	\$ 6,022,726	\$ 10,339,028	

(1) The fair values of the investments in the private equity funds have been estimated using the net asset value of the underlying investments. According to the agreements for the private equity funds above, the Center is invested in closed-end, illiquid private equity vehicles, and as such there is no redemption frequency. The duration of the private equity investments, including those that are measured at net asset value is expected to be approximately 6-10 years.

Supplementary Information



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 12, 2018

Interlochen Center for the Arts

Statement of Financial Position Allocated by Fund

	Unrestricted				Temporarily Restricted						Permanently Restricted	Total
	Operating Funds	Designated Funds	Designated Endowment Funds	Total Unrestricted	Scholarship Funds	General Funds	Endowment Funds	Plant Funds	Agency Funds	Total Temporarily Restricted	Endowment Funds	
<i>May 31, 2018</i>												
Assets												
Cash and cash equivalents	\$ 6,158,102	\$ 339,933	\$ 229,487	\$ 6,727,522	\$ -	\$ 246,007	\$ 1,166,743	\$ 402,729	\$ 36,456	\$ 1,851,935	\$ 2,736,958	\$ 11,316,415
Investments	3,755,566	43,215,477	43,490,610	90,461,653	-	598,568	10,226,460	8,500,000	40,396	19,365,424	28,987,979	138,815,056
Accounts receivable, net of allowance of approximately \$2,777,000	253,935	-	-	253,935	-	-	-	-	-	-	-	253,935
Gifts receivable	82,154	-	483,551	565,705	136,000	180,000	-	5,622,700	-	5,938,700	769,001	7,273,406
Prepaid expenses and other receivables	585,676	-	78,962	664,638	-	-	-	-	-	-	-	664,638
Inventories	982,497	-	-	982,497	-	-	-	-	-	-	-	982,497
Land, buildings and equipment, net	56,119,923	-	-	56,119,923	-	-	-	-	-	-	-	56,119,923
Other assets	994,686	-	-	994,686	-	-	-	-	-	-	-	994,686
Total Assets	\$ 68,932,539	\$ 43,555,410	\$ 44,282,610	\$ 156,770,559	\$ 136,000	\$ 1,024,575	\$ 11,393,203	\$ 14,525,429	\$ 76,852	\$ 27,156,059	\$ 32,493,938	\$ 216,420,556
Liabilities and Net Assets												
Liabilities												
Accounts payable - trade	\$ 691,791	\$ -	\$ -	\$ 691,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 691,791
Accrued liabilities	6,754,647	-	-	6,754,647	78,962	-	-	-	76,852	155,814	-	6,910,461
Tuition deposits and other	12,631,163	-	-	12,631,163	-	-	-	-	-	-	-	12,631,163
Annuities payable	555,063	-	-	555,063	-	-	-	-	-	-	-	555,063
Bonds payable, net	25,228,569	-	-	25,228,569	-	-	-	-	-	-	-	25,228,569
Total Liabilities	45,861,233	-	-	45,861,233	78,962	-	-	-	76,852	155,814	-	46,017,047
Net Assets												
Unrestricted	23,071,306	43,555,410	44,282,610	110,909,326	-	-	-	-	-	-	-	110,909,326
Temporarily restricted	-	-	-	-	57,038	1,024,575	11,393,203	14,525,429	-	27,000,245	-	27,000,245
Permanently restricted	-	-	-	-	-	-	-	-	-	-	32,493,938	32,493,938
Total Net Assets	23,071,306	43,555,410	44,282,610	110,909,326	57,038	1,024,575	11,393,203	14,525,429	-	27,000,245	32,493,938	170,403,509
Total Liabilities and Net Assets	\$ 68,932,539	\$ 43,555,410	\$ 44,282,610	\$ 156,770,559	\$ 136,000	\$ 1,024,575	\$ 11,393,203	\$ 14,525,429	\$ 76,852	\$ 27,156,059	\$ 32,493,938	\$ 216,420,556

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

Year ended May 31, 2018	Unrestricted				Temporarily Restricted					Permanently Restricted	Total
	Operating Funds	Designated Funds	Designated	Total Unrestricted	Scholarship Funds	General Funds	Endowment Funds	Plant Funds	Total	Endowment Funds	
			Endowment Funds						Temporarily Restricted		
Revenues and Other Additions											
Gross tuition and student fees	\$ 43,640,112	\$ -	\$ -	\$ 43,640,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,640,112
Assets released from restrictions:											
Operating item:											
Financial aid	3,938,503	-	(53,134)	3,885,369	(2,696,920)	(6,372)	(1,182,077)	-	(3,885,369)	-	-
Less financial aid grants	(13,769,665)	-	-	(13,769,665)	-	-	-	-	-	-	(13,769,665)
Net tuition and student fees	33,808,950	-	(53,134)	33,755,816	(2,696,920)	(6,372)	(1,182,077)	-	(3,885,369)	-	29,870,447
Ticket sales	2,140,581	-	-	2,140,581	-	-	-	-	-	-	2,140,581
Lodging	1,370,879	-	-	1,370,879	-	-	-	-	-	-	1,370,879
Retail sales	1,914,785	-	-	1,914,785	-	-	-	1,910	1,910	-	1,916,695
Contributions and grants	1,453,559	126,969	(23,535)	1,556,993	2,703,292	444,928	-	2,137,376	5,285,596	1,383,212	8,225,801
Net gain on investments	-	988,293	6,278,778	7,267,071	-	121,581	3,797,323	292,897	4,211,801	-	11,478,872
Endowment allocation	1,693,969	-	-	1,693,969	(1,693,969)	-	-	-	(1,693,969)	-	-
Other revenues	1,023,449	30,098	237,208	1,290,755	50	2,760	-	590	3,400	748	1,294,903
Total revenues and other additions	43,406,172	1,145,360	6,439,317	50,990,849	(1,687,547)	562,897	2,615,246	2,432,773	3,923,369	1,383,960	56,298,178
Cost of Goods and Services											
Artist fees	1,276,664	87,213	-	1,363,877	-	54,908	-	-	54,908	-	1,418,785
Cost of goods sold	989,062	-	-	989,062	-	-	-	-	-	-	989,062
Total cost of goods and services	2,265,726	87,213	-	2,352,939	-	54,908	-	-	54,908	-	2,407,847
Cost of Operations											
Salaries, wages and benefits	28,066,093	1,086,153	-	29,152,246	-	205,162	-	-	205,162	-	29,357,408
Food costs	1,410,807	3,457	-	1,414,264	-	2,195	-	-	2,195	-	1,416,459
Contracted services	728,866	380,463	-	1,109,329	-	12,469	-	31,380	43,849	-	1,153,178
Supplies	1,332,449	811,208	-	2,143,657	-	129,188	-	357,463	486,651	-	2,630,308
Repairs and maintenance	836,377	73,456	-	909,833	-	105	-	-	105	-	909,938
Leases and rentals	316,453	9,799	-	326,252	-	11,215	-	-	11,215	-	337,467
Utilities	947,076	-	-	947,076	-	-	-	-	-	-	947,076
Insurance	324,308	-	-	324,308	-	-	-	13,175	13,175	-	337,483
Telephone and postage	464,056	95,038	-	559,094	-	-	-	-	-	-	559,094
Other operational	96,042	84,297	102,918	283,257	-	14,311	-	-	14,311	-	297,568
Total cost of operations	34,522,527	2,543,871	102,918	37,169,316	-	374,645	-	402,018	776,663	-	37,945,979

Interlochen Center for the Arts

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

Year ended May 31, 2018	Unrestricted				Temporarily Restricted					Permanently Restricted		Total
	Operating Funds	Designated Funds	Designated		Scholarship Funds	General Funds	Endowment Funds	Plant Funds	Total		Endowment Funds	
			Endowment Funds	Total Unrestricted					Temporarily Restricted	Total		
General and Administrative												
Marketing	\$ 913,573	\$ 39,976	\$ -	\$ 953,549	\$ -	\$ 7,366	\$ -	\$ 3,305	\$ 10,671	\$ -	\$ -	\$ 964,220
Travel and entertainment	894,687	161,504	-	1,056,191	719	99,572	-	1,451	101,742	-	-	1,157,933
Professional services	502,989	349,181	-	852,170	-	-	-	43,176	43,176	-	-	895,346
Other	471,696	284,347	105,441	861,484	-	41,056	-	27,459	68,515	-	-	929,999
Total general and administrative	2,782,945	835,008	105,441	3,723,394	719	147,994	-	75,391	224,104	-	-	3,947,498
Total expenses before Board-designated expenditures and depreciation	39,571,198	3,466,092	208,359	43,245,649	719	577,547	-	477,409	1,055,675	-	-	44,301,324
Increase (decrease) in net assets before Board-designated expenditures, depreciation and non-operating items	3,834,974	(2,320,732)	6,230,958	7,745,200	(1,688,266)	(14,650)	2,615,246	1,955,364	2,867,694	1,383,960	-	11,996,854
Board-Designated Expenditures	261,275	(261,275)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in net assets before depreciation and non-operating items	3,573,699	(2,059,457)	6,230,958	7,745,200	(1,688,266)	(14,650)	2,615,246	1,955,364	2,867,694	1,383,960	-	11,996,854
Depreciation Expense	1,913,803	-	-	1,913,803	-	-	-	-	-	-	-	1,913,803
Assets Released From Restrictions/Transfers												
Non-operating items - capital and other	5,489,670	32,450,636	(31,121,165)	6,819,141	1,678,705	(190,356)	(309,738)	(7,997,752)	(6,819,141)	-	-	-
Net Increase (Decrease) in Net Assets	7,149,566	30,391,179	(24,890,207)	12,650,538	(9,561)	(205,006)	2,305,508	(6,042,388)	(3,951,447)	1,383,960	-	10,083,051
Net Assets, beginning of year	15,921,740	13,164,231	69,172,817	98,258,788	66,599	1,229,581	9,087,695	20,567,817	30,951,692	31,109,978	160,320,458	160,320,458
Net Assets, end of year	\$ 23,071,306	\$ 43,555,410	\$ 44,282,610	\$ 110,909,326	\$ 57,038	\$ 1,024,575	\$ 11,393,203	\$ 14,525,429	\$ 27,000,245	\$ 32,493,938	\$ 170,403,509	\$ 170,403,509

See accompanying independent auditor's report on supplementary information.