

**VIRGINIA MUSEUM OF
CONTEMPORARY ART**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

***As of and for the Years Ended June 30, 2015
and 2014***

And Report of Independent Auditor

VIRGINIA MUSEUM OF CONTEMPORARY ART
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Report of Independent Auditor

Board of Trustees
Virginia Museum of Contemporary Art
Virginia Beach, Virginia

We have audited the accompanying financial statements of the Virginia Museum of Contemporary Art, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, 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 Virginia Museum of Contemporary Art as of June 30, 2015 and 2014, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 14-15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Cheryl Bexant CPA". The signature is written in a cursive style.

Virginia Beach, Virginia
November 16, 2015

VIRGINIA MUSEUM OF CONTEMPORARY ART
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 661,296	\$ 601,040
Investments	608,560	597,919
Accounts receivable	54,079	24,455
Inventory	35,449	28,797
Prepaid expense	61,655	44,334
Total Current Assets	<u>1,421,039</u>	<u>1,296,545</u>
Property and Equipment:		
Leasehold improvements	2,065,365	2,065,365
Equipment	524,807	519,539
	<u>2,590,172</u>	<u>2,584,904</u>
Less accumulated depreciation	1,589,631	1,506,077
Total Property and Equipment	<u>1,000,541</u>	<u>1,078,827</u>
Total Assets	<u><u>\$ 2,421,580</u></u>	<u><u>\$ 2,375,372</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable, trade	\$ 88,848	\$ 55,369
Accrued expenses	12,920	46,313
Deferred income, advance payments	141,583	162,115
Total Current Liabilities	<u>243,351</u>	<u>263,797</u>
Net Assets:		
Unrestricted:		
Undesignated	967,512	823,775
Invested in property and equipment	1,000,541	1,078,827
Board designated endowment	180,559	177,572
Temporarily restricted	29,617	31,401
Total Net Assets	<u>2,178,229</u>	<u>2,111,575</u>
Total Liabilities and Net Assets	<u><u>\$ 2,421,580</u></u>	<u><u>\$ 2,375,372</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

VIRGINIA MUSEUM OF CONTEMPORARY ART
STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets:		
Public Support and Revenues:		
Public Support:		
Contributions	\$ 706,002	\$ 753,493
Grant awards	218,075	218,150
Membership dues	79,487	79,899
Revenues:		
Special event fees	466,221	413,277
Facility rent	290,356	249,646
Class and material fees	218,269	197,550
Merchandise and concession sales	78,002	57,751
Exhibition admission income	34,953	38,838
Investment gain (loss) and market value adjustments, net	(18,526)	46,546
Interest and dividend income	37,280	30,640
Other revenues, net	4,000	4,073
Net assets released from restrictions	16,784	-
Total Public Support and Revenues	<u>2,130,903</u>	<u>2,089,863</u>
Expenses:		
Program services	1,059,720	1,060,739
Costs of direct benefits to donors	297,792	363,987
Management and general	446,464	454,938
Fundraising	258,489	261,398
Total Expenses	<u>2,062,465</u>	<u>2,141,062</u>
Increase (Decrease) in Unrestricted Net Assets	<u>68,438</u>	<u>(51,199)</u>
Changes in Temporarily Restricted Net Assets:		
Contributions	15,000	10,000
Interest and dividend income	-	3
Net assets released from restrictions	<u>(16,784)</u>	<u>-</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(1,784)</u>	<u>10,003</u>
Change in net assets	66,654	(41,196)
Net assets, beginning of year	<u>2,111,575</u>	<u>2,152,771</u>
Net assets, end of year	<u>\$ 2,178,229</u>	<u>\$ 2,111,575</u>

The accompanying notes to the financial statements are an integral part of these statements.

VIRGINIA MUSEUM OF CONTEMPORARY ART
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	Program Services	Cost of Direct Benefits to Donors	Management and General	Fundraising	Total
Salaries	\$ 453,225	\$ -	\$ 302,151	\$ 133,302	\$ 888,678
Exhibitions and programs	73,830	173,774	-	65,912	313,516
Utilities	100,652	-	11,184	-	111,836
Teachers and casual labor	88,371	15,901	1,053	-	105,325
Advertising and printing	43,312	44,463	1,208	9,057	98,040
Benefits and payroll taxes	55,133	-	37,109	13,784	106,026
Depreciation expense	62,666	-	20,888	-	83,554
Supplies	20,739	2,571	19,279	4,714	47,303
Artists, judges, lecture fees	4,384	-	-	-	4,384
Postage and express mail	-	900	6,361	-	7,261
Maintenance and repairs	72,123	-	18,030	-	90,153
Prizes and awards	5,250	24,184	-	-	29,434
Merchandise and concession cost	16,321	21,489	-	-	37,810
Insurance	19,245	-	8,645	-	27,890
Travel and hospitality	1,874	5,701	3,420	25,183	36,178
Bank fees	19,406	-	4,045	3,960	27,411
Telephone	-	-	932	-	932
Professional services	17,598	-	11,004	-	28,602
Dues and subscriptions	4,649	1,605	1,004	2,239	9,497
Taxes and licenses	942	7,204	151	338	8,635
Total Expense	\$ 1,059,720	\$ 297,792	\$ 446,464	\$ 258,489	\$ 2,062,465

The accompanying notes to the financial statements are an integral part of this statement.

VIRGINIA MUSEUM OF CONTEMPORARY ART
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

	Program Services	Cost of Direct Benefits to Donors	Management and General	Fundraising	Total
Salaries	\$ 421,212	\$ -	\$ 280,808	\$ 123,886	\$ 825,906
Exhibitions and programs	92,839	196,277	-	76,963	366,079
Utilities	95,538	-	10,616	-	106,154
Teachers and casual labor	91,899	18,196	1,112	-	111,207
Advertising and printing	24,848	97,516	1,684	12,627	136,675
Benefits and payroll taxes	76,805	-	51,696	19,201	147,702
Depreciation expense	100,224	-	33,408	-	133,632
Supplies	18,419	4,938	19,317	4,723	47,397
Artists, judges, lecture fees	1,331	-	-	-	1,331
Postage and express mail	-	-	9,681	-	9,681
Maintenance and repairs	51,224	-	12,806	-	64,030
Prizes and awards	4,000	25,847	-	-	29,847
Merchandise and concession cost	12,462	12,615	-	-	25,077
Insurance	17,012	-	7,642	-	24,654
Travel and hospitality	3,043	2,659	2,574	18,958	27,234
Other expenses	13,475	-	2,809	2,750	19,034
Telephone	-	-	971	-	971
Professional services	30,047	-	18,787	-	48,834
Dues and subscriptions	5,446	35	880	1,962	8,323
Taxes and licenses	915	5,904	147	328	7,294
Total Expense	\$ 1,060,739	\$ 363,987	\$ 454,938	\$ 261,398	\$ 2,141,062

The accompanying notes to the financial statements are an integral part of this statement.

VIRGINIA MUSEUM OF CONTEMPORARY ART
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flow from operating activities:		
Change in net assets	\$ 66,654	\$ (41,196)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	83,554	133,632
Net unrealized (gain) loss on investments	18,526	(46,546)
Interest and dividends reinvested	(37,280)	(30,643)
Increase/decrease in operating assets/liabilities:		
Accounts receivable	(29,624)	(11,690)
Inventory	(6,652)	(14,264)
Prepaid expense	(17,321)	(37,304)
Accounts payable, trade	33,479	(26,434)
Accrued expenses	(33,393)	26,639
Deferred income, advance payments (delayed payments)	<u>(20,532)</u>	<u>33,844</u>
Cash provided by (used in) operating activities	<u>57,411</u>	<u>(13,962)</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(5,268)	(35,478)
Proceeds from sale of investments	215,178	107,143
Purchase of investments	<u>(207,065)</u>	<u>(102,071)</u>
Cash provided by (used in) investing activities	<u>2,845</u>	<u>(30,406)</u>
Net increase (decrease) in cash	60,256	(44,368)
Cash and cash equivalents, beginning of year	<u>601,040</u>	<u>645,408</u>
Cash and cash equivalents, end of year	<u>\$ 661,296</u>	<u>\$ 601,040</u>

The accompanying notes to the financial statements are an integral part of these statements.

VIRGINIA MUSEUM OF CONTEMPORARY ART

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Nature of operations

Virginia Museum of Contemporary Art (the "Museum") is a charitable not-for-profit organization. Its purpose is to provide a broad range of art and art-related services and activities to the Tidewater, Virginia community. Included in the scope of the Museum's activities are a studio school, gallery exhibitions, tours and lectures on art subjects, and various fundraising events.

Note 2—Summary of significant accounting policies

Basis of Presentation – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents – Cash and investments with an original maturity of 90 days or less are considered to be cash and cash equivalents. Included in cash on the statements of financial position as of June 30, 2015 and 2014 is temporarily restricted cash of \$29,617 and \$31,401, respectively.

Property and Equipment – Property and equipment acquired by purchase are recorded at cost. Donated assets are recorded at fair market value as of the date contributed. Depreciation is calculated using the straight-line method over estimated useful lives of 5 to 39 years.

Collections – Purchases of artwork are recorded as decreases in unrestricted net assets in the year in which the item is acquired or as temporarily or permanently restricted if restricted by donor.

Accounts Receivable – Accounts receivable consist of trade receivables at amounts billed less an allowance for doubtful accounts. Management considers all trade receivables over 30 days to be past due. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past collection experience, current economic conditions, and other risks inherent in the receivable portfolio. No allowance for doubtful accounts was deemed necessary for the years ended June 30, 2015 and 2014.

Grant Income – Unrestricted grant income is recognized in the year the grant is awarded. Grants that are restricted by the grantor are reported as increases in temporarily restricted net assets. When the restriction is met or expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Expenses – Certain costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Endowment Fund – A permanent endowment fund existed in prior years. The principal of the fund was invested in stocks, bonds, or similar investments chosen by the Endowment Investment Committee. The income earned was withdrawn on an annual basis to fund operations. During the year ended June 30, 2013, the Museum obtained permission from the original donor lifting restrictions on the donation. The funds from the permanent endowment were used to set up a Board designated endowment fund to support the Museum and its mission for years to come.

VIRGINIA MUSEUM OF CONTEMPORARY ART

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 2—Summary of significant accounting policies (continued)

Income Taxes – As a charitable not-for-profit organization, the Museum is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes the Museum continues to satisfy the requirements of a tax-exempt organization at June 30, 2015.

Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Museum had no uncertain income tax positions at this date. The Museum is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2011.

Inventory – Merchandise inventory consists of gift shop items, purchased for resale, and is stated at cost.

Credit Risk – The Museum places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Museum from time to time may have amounts on deposit in excess of the insured limits. As of June 30, 2015, the Museum had \$22,838 which exceeded these insured amounts.

Financial Statement Presentation – The Museum is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statement will report amounts separately by class of asset, when applicable, as follows:

Unrestricted – Amounts that are undesignated are currently available for use in the operations of the Museum. During the year ended June 30, 2013, the Board designated an endowment fund to support the mission of the Museum and to encourage others to leave a legacy to the Museum. Additions can be made annually from operating or reserve accounts by the Executive Committee. In prior years, the designated net assets balance resulted from contributions, which were board designated for construction of the Museum's building, which opened in April 1989, and for equipment and furniture, related to the project. Subsequent to completion of the facility, the Board of Trustees authorized the use of earnings from those remaining assets for current operation of the Museum and management includes this amount in its general operations budget. In addition, the fund includes capital campaign contributions received to complete the addition of the new atrium, which opened in October 2003.

Temporarily Restricted – Amounts are those which are stipulated by donors for specific purposes. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted – Amounts are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingencies and liabilities at the date of the financial statements and revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

VIRGINIA MUSEUM OF CONTEMPORARY ART
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 2—Summary of significant accounting policies (continued)

Advertising – The Museum expenses advertising costs as they are incurred. Advertising costs expensed for the years ended June 30, 2015 and 2014 were \$98,041 and \$136,675, respectively.

Revenue Recognition – Unearned revenues consisting primarily of tuition and facility rental deposits, which are received in advance, but which relate to the following fiscal year, are deferred and recognized as revenue in that following fiscal year, as services are provided.

Note 3—Investments

The Museum reports investments in marketable fixed income and equity mutual funds with readily determinable fair values at their fair values in the statements of financial position. Unrealized gain and losses are included in the change in net assets in the accompanying statements of activities under the unrestricted net assets as required by accounting standards.

Investments include mutual funds and marketable equities recorded at fair market value.

	June 30, 2015		June 30, 2014	
	Market	Cost	Market	Cost
Mutual funds	\$ 608,560	\$ 586,521	\$ 597,919	\$ 554,350

Note 4—Donated goods and services

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of non-cash goods and services for June 30, 2015 and 2014 were \$86,789 and \$154,824, respectively, and are included on the accompanying statements of activities in contributions.

A substantial number of unpaid volunteers make significant contributions of their time to develop and implement the Museum’s programs and activities. The Museum does not recognize this as revenue; therefore, the fair value of these volunteer hours has not been determined.

Note 5—Board designated endowment

The Museum’s board designated endowment was created during the year ended June 30, 2013 and consists of board-restricted funds held by the Museum for the purpose of supporting the work of the Museum in perpetuity. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Return Objectives and Risk Parameters – The Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results at least a return of 8.0%. To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum utilizes an asset allocation that targets five different mutual funds. Asset allocations are reviewed semi-annually.

VIRGINIA MUSEUM OF CONTEMPORARY ART
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 5—Board designated endowment (continued)

Spending Policy – The spending rate of the unrestricted portion of the endowment account will be no greater than 4.5%. The calculation of the actual distribution amount will be the average value of the endowment account for the previous 12 quarters. The Executive Committee will recommend to the Board of Directors each year the percentage distribution.

For the years ended June 30, 2015 and 2014, the Museum had the following endowment-related activities:

	<u>2015</u>	<u>2014</u>
Board-designated endowment net assets, beginning of year	\$ 177,572	\$ 155,111
Investment income, net	10,022	9,088
Net appreciation (depreciation)	(7,035)	13,373
Board-designated endowment net assets, end of year	<u>\$ 180,559</u>	<u>\$ 177,572</u>

Note 6—Restrictions and limitations on net asset balances

Temporarily restricted funds at June 30, 2015 and 2014 include amounts restricted for the following:

	<u>2015</u>	<u>2014</u>
Cohen Fund	<u>\$ 29,617</u>	<u>\$ 31,401</u>

Note 7—Collection of artwork

The Museum has a collection of artwork that is on public display. The collection, which has been acquired through purchases and contributions, are not recognized as an asset on the statements of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors.

Note 8—Operating leases

The Museum's building opened to the public in April 1989. Ownership was transferred to the City of Virginia Beach (the "City") in October 1989, subject to the terms and conditions of a lease and operating agreement between the Museum and the City. The Museum now leases the land and building from the City for \$1 annually. The market value of the lease is not readily determinable. The initial term of the lease was for five years with unlimited five-year renewals thereafter. The City is responsible for long-term maintenance and repair of the building and its surrounding grounds. The City awards the Museum a grant each year to cover the cost of electricity and gas. At the expiration of the lease, the Museum will waive the right to claim any furniture, fixtures, and equipment if not removed from the property within ten days.

The Museum leases office equipment under various lease agreements expiring in fiscal years ranging from 2015 to 2018. Lease expense under these leases was \$9,021 for the years ended June 30, 2015 and 2014. Operating lease commitments are as follows:

2016	\$	9,021
2017	\$	7,644
2018	\$	3,428

VIRGINIA MUSEUM OF CONTEMPORARY ART
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 9—Defined contribution plan

The Museum established a 401(k) plan covering all employees on July 1, 2009, not including those that are contracted seasonally, that are at least 21 years of age, and have been employed for over one year. The Museum made contributions to the Plan totaling \$3,784 and \$20,689 for the years ended June 30, 2015 and 2014, respectively.

Note 10—Fair value measurements

Accounting standards require that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Accounting standards specify a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Museum's market assumptions. The three levels of the fair value hierarchy based on these two types of inputs are as follows:

- Level 1: Valuation is based on quoted prices in active markets for identical assets and liabilities.
- Level 2: Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.
- Level 3: Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

The following describes the valuation techniques used by the Museum to measure certain financial assets recorded at fair value on a recurring basis in the financial statements:

	June 30, 2015			
	Carrying Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Mutual funds	\$ 608,560	\$ 608,560	\$ -	\$ -

	June 30, 2014			
	Carrying Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Mutual funds	\$ 597,919	\$ 597,919	\$ -	\$ -

VIRGINIA MUSEUM OF CONTEMPORARY ART

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 11—Agency transactions

During the years ended June 30, 2015 and 2014, the Museum collected \$-0- and \$20,000, respectively, on behalf of the Public Art Virginia Beach Foundation. As of June 30, 2015, there were no amounts owed to the Public Art Virginia Beach Foundation.

Note 12—Subsequent events

The Museum has evaluated subsequent events through November 16, 2015, which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through this date that would require adjustment to, or disclosure in, the financial statements.

SUPPLEMENTAL SCHEDULES

**VIRGINIA MUSEUM OF CONTEMPORARY ART
SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION BY FUND BALANCE**

JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

	Unrestricted		Temporarily Restricted	2015 Total	Comparative 2014 Total
	Operations	Capital			
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 628,061	\$ -	\$ 3,618	\$ 631,679	\$ 601,040
Investments	431,619	-	176,941	608,560	597,919
Accounts receivable	54,079	-	54,079	54,079	24,455
Inventory	35,449	-	35,449	35,449	28,797
Prepaid expense	61,655	-	61,655	61,655	44,334
Total Current Assets	1,210,863	-	180,559	1,391,422	1,296,545
Property and Equipment:					
Leasehold improvements	-	2,065,365	-	2,065,365	2,065,365
Equipment	-	524,807	-	524,807	519,539
Less accumulated depreciation	-	2,590,172	-	2,590,172	2,584,904
	-	1,589,631	-	1,589,631	1,506,077
Total Property and Equipment	-	1,000,541	-	1,000,541	1,078,827
Total Assets	\$ 1,210,863	\$ 1,000,541	\$ 180,559	\$ 2,391,963	\$ 2,375,372
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable, trade	\$ 88,848	\$ -	\$ -	\$ 88,848	\$ 55,369
Accrued expenses	12,920	-	-	12,920	46,313
Deferred income, advance payments	141,583	-	-	141,583	162,115
Total Current Liabilities	243,351	-	-	243,351	263,797
Net Assets:					
Unrestricted:					
Undesignated	967,512	-	-	967,512	823,775
Invested on property and equipment	-	1,000,541	-	1,000,541	1,078,827
Board designated endowment	-	-	180,559	180,559	177,572
Temporarily restricted	-	-	-	29,617	31,401
Total Net Assets	967,512	1,000,541	180,559	2,148,612	2,111,575
Total Liabilities and Net Assets	\$ 1,210,863	\$ 1,000,541	\$ 180,559	\$ 2,391,963	\$ 2,375,372

**VIRGINIA MUSEUM OF CONTEMPORARY ART
SUPPLEMENTAL SCHEDULE OF ACTIVITIES BY FUND BALANCE**

YEAR ENDED JUNE 30, 2015 (WITH COMPARITIVE TOTALS FOR 2014)

	Unrestricted			Temporarily Restricted	2015 Total	Comparative 2014 Total
	Operations	Capital	Board Designated			
Public Support and Revenues:						
Public Support:						
Contributions	\$ 706,002	\$ -	\$ -	\$ 15,000	\$ 721,002	\$ 763,493
Grant awards	218,075	-	-	-	218,075	218,150
Membership dues	79,487	-	-	-	79,487	79,899
Revenues:						
Special event fees	466,221	-	-	-	466,221	413,277
Facility rent	290,356	-	-	-	290,356	249,646
Class and material fees	218,269	-	-	-	218,269	197,550
Merchandise and concession sales	78,002	-	-	-	78,002	57,751
Exhibition admission income	34,953	-	-	-	34,953	38,838
Investment gain (loss) and market value adjustments, net	(11,491)	(7,035)	-	-	(18,526)	46,546
Interest and dividend income	27,258	10,022	-	-	37,280	30,643
Other revenues, net	4,000	-	-	4,000	4,000	4,073
	2,111,132	-	2,987	15,000	2,129,119	2,099,866
Transfers and net assets released from restrictions	11,516	5,268	-	(16,784)	-	-
Total Public Support and Revenues	2,122,648	5,268	2,987	(1,784)	2,129,119	2,099,866
Expenses:						
Salaries	888,678	-	-	-	888,678	825,906
Exhibitions and programs	313,516	-	-	-	313,516	366,079
Utilities	111,836	-	-	-	111,836	106,154
Teachers and casual labor	105,325	-	-	-	105,325	111,207
Advertising and printing	98,040	-	-	-	98,040	136,675
Benefits and payroll taxes	106,026	-	-	-	106,026	147,702
Supplies	47,303	-	-	-	47,303	47,397
Artists, judges, lecture fees	4,384	-	-	-	4,384	1,331
Postage and express mail	7,261	-	-	-	7,261	9,681
Maintenance and repairs	90,153	-	-	-	90,153	64,030
Prizes and awards	29,434	-	-	-	29,434	29,847
Merchandise and concession cost	37,810	-	-	-	37,810	25,077
Insurance	27,890	-	-	-	27,890	24,654
Travel and hospitality	36,178	-	-	-	36,178	27,234
Bank fees	27,411	-	-	-	27,411	21,386
Other expenses	-	-	-	-	-	(2,352)
Taxes and licenses	8,635	-	-	-	8,635	7,294
Telephone	932	-	-	-	932	971
Professional services	28,602	-	-	-	28,602	48,834
Dues and subscriptions	9,497	-	-	-	9,497	8,323
	1,978,911	-	-	-	1,978,911	2,007,430
Increase (decrease) in net assets before depreciation	143,737	5,268	2,987	(1,784)	150,208	92,436
Depreciation	-	(83,554)	-	-	(83,554)	(133,632)
Increase (decrease) in net assets	143,737	(78,286)	2,987	(1,784)	66,654	(41,196)
Net assets, beginning of year	823,775	1,078,827	177,572	31,401	2,111,575	2,152,771
Net assets, end of year	967,512	\$ 1,000,541	\$ 180,559	\$ 29,617	\$ 2,178,229	\$ 2,111,575