

***WHITE BEAR CENTER FOR THE ARTS  
(A MINNESOTA NOT-FOR-PROFIT  
ORGANIZATION)***

***FINANCIAL STATEMENTS***

***DECEMBER 31, 2015***

## **C O N T E N T S**

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of financial position	3
Statements of activities	4
Statements of functional expenses	6
Statements of cash flows	8
Notes to financial statements	9

**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
White Bear Center for the Arts  
White Bear Lake, MN

We have audited the accompanying financial statements of White Bear Center for the Arts (a Minnesota nonprofit Organization), which comprise the statements of financial position as of December 31, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 qualified audit opinion.

**Basis for Qualified Opinion**

The Organization has elected not to include additional disclosures for its endowment fund or make adjustments to the financial statement amounts, if applicable, as required by the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and Accounting Standards Codification (ASC) Section 958 ("Not-for-Profit Entities"). These documents require nonprofit organizations to disclose information to enable users of the financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy(ies), and related investment policy(ies) of its endowment funds (both donor-restricted and board-designated). The effects of this departure on the accompanying financial statements have not been determined.

**Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of White Bear Center for the Arts as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Boyer + Barmescheer PLLP*

Minneapolis, Minnesota

July 27, 2016

**WHITE BEAR CENTER FOR THE ARTS**  
**STATEMENTS OF FINANCIAL POSITION**

<b>DECEMBER 31,</b>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 151,951	\$ 208,526
Prepaid expenses	7,095	2,063
Investments - common stock	-	12,635
Accounts receivable, trade	8,730	8,730
Pledges receivable, net	94,475	193,225
Investments - endowment fund	69,622	-
Property and equipment, net	2,603,929	2,644,593
<b><i>Total assets</i></b>	<b>\$ 2,935,802</b>	<b>\$ 3,069,772</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 6,663	\$ 11,342
Accrued salaries and payroll tax liabilities	19,348	22,404
Deferred revenue	24,245	16,532
Line of credit	23,839	141,839
<b><i>Total liabilities</i></b>	<b>74,095</b>	<b>192,117</b>
<b>NET ASSETS</b>		
Permanently restricted	70,000	45,000
Temporarily restricted	94,475	193,225
Unrestricted	2,697,232	2,639,430
<b><i>Total net assets</i></b>	<b>2,861,707</b>	<b>2,877,655</b>
<b><i>Total liabilities and net assets</i></b>	<b>\$ 2,935,802</b>	<b>\$ 3,069,772</b>

The Notes to Financial Statements are an integral part of these statements.

**WHITE BEAR CENTER FOR THE ARTS**

**STATEMENTS OF ACTIVITIES**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2015</b>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Capital campaign	\$ -	\$ -	\$ -	\$ -
Membership revenue	38,837	-	-	38,837
Contributions	258,617	-	-	258,617
Grants	51,560	-	-	51,560
Other income	305	-	-	305
Realized losses and fees on donated investments	-	-	-	-
Heart 4 Art and Polly Shank events, net of direct benefit to donor expenses of \$18,813 for 2015	60,705	32,250	25,000	117,955
Art education	317,434	-	-	317,434
Community programs and art sales, net	15,258	-	-	15,258
<b><i>Total support and revenue</i></b>	<b>742,716</b>	<b>32,250</b>	<b>25,000</b>	<b>799,966</b>
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	<b>131,000</b>	<b>(131,000)</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>				
Program services	619,821	-	-	619,821
Management and general	119,413	-	-	119,413
Fundraising	76,680	-	-	76,680
<b><i>Total expenses</i></b>	<b>815,914</b>	<b>-</b>	<b>-</b>	<b>815,914</b>
<b><i>Increase (decrease) in net assets</i></b>	<b>57,802</b>	<b>(98,750)</b>	<b>25,000</b>	<b>(15,948)</b>
Net assets, beginning of year	2,639,430	193,225	45,000	2,877,655
<b><i>Net assets, end of year</i></b>	<b>\$ 2,697,232</b>	<b>\$ 94,475</b>	<b>\$ 70,000</b>	<b>\$ 2,861,707</b>

The Notes to Financial Statements are an integral part of these statements.

**WHITE BEAR CENTER FOR THE ARTS**

**STATEMENTS OF ACTIVITIES**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2014</b>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Capital campaign	\$ -	\$ 14,760	\$ -	\$ 14,760
Membership revenue	32,476	-	-	32,476
Contributions	101,684	-	-	101,684
Grants	30,899	-	-	30,899
Other income	22	-	-	22
Realized losses and fees on donated investments	8	-	-	8
Heart 4 Art and Polly Shank events, net of direct benefit to donor expenses \$9,265 for 2014	75,492	61,725	-	137,217
Art education	292,243	-	-	292,243
Community programs and art sales, net	37,184	-	-	37,184
<b><i>Total support and revenue</i></b>	<b>570,008</b>	<b>76,485</b>	<b>-</b>	<b>646,493</b>
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	<b>156,310</b>	<b>(156,310)</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>				
Program services	581,613	-	-	581,613
Management and general	69,951	-	-	69,951
Fundraising	57,560	-	-	57,560
<b><i>Total expenses</i></b>	<b>709,124</b>	<b>-</b>	<b>-</b>	<b>709,124</b>
<b><i>Increase (decrease) in net assets</i></b>	<b>17,194</b>	<b>(79,825)</b>	<b>-</b>	<b>(62,631)</b>
Net assets, beginning of year	2,622,236	273,050	45,000	2,940,286
<b><i>Net assets, end of year</i></b>	<b>\$ 2,639,430</b>	<b>\$ 193,225</b>	<b>\$ 45,000</b>	<b>\$ 2,877,655</b>

The Notes to Financial Statements are an integral part of these statements.

**WHITE BEAR CENTER FOR THE ARTS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2015</b>			
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 211,872	\$ 66,655	\$ 45,326	\$ 323,853
Payroll taxes	17,220	5,417	3,684	26,321
Professional fees	6,071	21,249	3,036	30,355
Office work- consultant	-	-	-	-
Graphics/special event	-	-	-	-
Insurance	9,631	838	-	10,469
Strategic planning	2,569	-	-	2,569
Staff/board development	2,104	2,104	-	4,208
Year-end giving campaign	-	-	-	-
General office expense	24,943	12,471	4,157	41,571
Advertising and marketing	3,887	-	-	3,887
Clay	9,065	-	-	9,065
Instructor fees	120,174	-	-	120,174
Studio expenses	12,070	-	-	12,070
Customized class expense	14,905	-	-	14,905
Credit card usage fees	5,977	-	1,494	7,471
Art education catalog	22,066	-	-	22,066
Community programs	1,299	-	-	1,299
Art in Elementary expenses	14,421	-	-	14,421
Depreciation	76,384	6,642	-	83,026
Heart 4 Art and Polly Shank event expenses	-	-	15,754	15,754
Capital campaign events	-	-	-	-
Capital campaign management	-	-	-	-
Utilities and maintenance	19,287	1,677	-	20,964
Other building development expenses	23,516	2,045	-	25,561
In-kind expense	13,696	-	1,600	15,296
Miscellaneous	8,664	316	1,629	10,609
<b><i>Total expenses</i></b>	<b>\$ 619,821</b>	<b>\$ 119,413</b>	<b>\$ 76,680</b>	<b>\$ 815,914</b>
Percentages	76%	15%	9%	100%

The Notes to Financial Statements are an integral part of these statements.



**WHITE BEAR CENTER FOR THE ARTS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2014</b>			
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 213,668	\$ 24,842	\$ 27,663	\$ 266,173
Payroll taxes	16,505	1,919	2,137	20,561
Professional fees	5,566	19,485	2,784	27,835
Office work- consultant	254	254	-	508
Graphics/special event	11,445	-	1,272	12,717
Insurance	9,506	827	-	10,333
Strategic planning	881	-	-	881
Staff/board development	1,998	1,998	-	3,996
Year-end giving campaign	-	-	1,284	1,284
General office expense	11,707	5,853	1,951	19,511
Advertising and marketing	3,497	-	-	3,497
Clay	5,446	-	-	5,446
Instructor fees	106,802	-	-	106,802
Studio expenses	10,286	-	-	10,286
Customized class expense	7,221	-	-	7,221
Credit card usage fees	4,589	-	1,147	5,736
Art education catalog	20,104	-	-	20,104
Community programs	16,153	-	-	16,153
Art in Elementary expenses	15,680	-	-	15,680
Depreciation	68,656	5,970	-	74,626
Heart 4 Art and Polly Shank event expenses	-	-	6,076	6,076
Capital campaign events	-	-	988	988
Capital campaign management	-	-	110	110
Utilities and maintenance	20,682	1,798	-	22,480
Other building development expenses	20,209	1,757	-	21,966
In-kind expense	6,578	-	9,800	16,378
Miscellaneous	4,180	5,248	2,348	11,776
<b><i>Total expenses</i></b>	<b>\$ 581,613</b>	<b>\$ 69,951</b>	<b>\$ 57,560</b>	<b>\$ 709,124</b>
Percentages	82%	10%	8%	100%

The Notes to Financial Statements are an integral part of these statements.

**WHITE BEAR CENTER FOR THE ARTS**

**STATEMENTS OF CASH FLOWS**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (15,948)	\$ (62,631)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donation of stock	-	(12,355)
Realized (gains) losses and fees from donated stock	801	8
Depreciation	83,026	74,626
Change in allowance for uncollectible pledges	-	(11,500)
Donation of property and equipment	(5,000)	-
Changes in assets and liabilities:		
Pledges receivable	98,750	91,325
Accounts receivable, trade	-	(2,230)
Prepaid expenses	(5,032)	(456)
Accounts payable	(4,679)	(67,584)
Deferred revenue	7,713	3,603
Accrued salaries and payroll tax liabilities	(3,056)	4,458
	<b>156,575</b>	<b>17,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(37,362)	(78,493)
Investment in endowment funds	(70,000)	-
Proceeds from the sale of donated stock	12,212	49,553
	<b>(95,150)</b>	<b>(28,940)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net advances (payments) on line of credit	(118,000)	(40,000)
	<b>(118,000)</b>	<b>(40,000)</b>
<i>Net decrease in cash</i>	<b>(56,575)</b>	<b>(51,676)</b>
Cash and cash equivalents, beginning of year	<b>208,526</b>	<b>260,202</b>
	<b>\$ 151,951</b>	<b>\$ 208,526</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash payments for interest	<b>\$ 2,832</b>	<b>\$ 5,248</b>

The Notes to Financial Statements are an integral part of these statements.

**WHITE BEAR CENTER FOR THE ARTS**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization:***

White Bear Center for the Arts serves the community through education and enrichment opportunities through art education. The Organization provides classes for individuals throughout the summer and school year. The Organization also facilitates art classes in elementary schools. The mission of the Organization is to provide a gateway to diverse art experiences. Contributions and other revenues come primarily from individuals, foundations, and organizations in the Minnesota Twin Cities area.

***Basis of accounting:***

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

***Basis of presentation:***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its ASC 958. Under ASC 958, *Financial Statements of Not-for-Profit Organizations*, White Bear Center for the Arts is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, based upon the existence or absence of donor restrictions.

***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 certain reported amounts and disclosures. Actual results could differ from those estimates.

***Cash and cash equivalents:***

For purposes of the statement of cash flows, the Organization considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents.

The Organization maintains its accounts in one commercial bank. At times, the amounts on deposit in the bank might exceed the insurance limit of the Federal Deposit Insurance Corporation.

**WHITE BEAR CENTER FOR THE ARTS**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. (CONTINUED)**

***Investments:***

Donated investments received by the Organization are recorded at fair value on the date they are received as a donation. The Organization's policy with handling stock donations is to sell them as soon as possible. Investment income is recorded as unrestricted revenue unless a donor has stipulated how the income is to be used.

***Fair value measurements:***

ASC 820 ("Fair Value Measurements") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobserved inputs (level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2:** Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

***Support and revenue recognition:***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**WHITE BEAR CENTER FOR THE ARTS**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. (CONTINUED)**

The Organization recognizes art education revenue when the related class occurs and, accordingly, defers revenue for prepaid class fees at year-end.

Accounts and grant receivables are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expect to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for accounts receivable.

Receivables consist primarily of amounts due from pledges. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of the outstanding receivables.

Donated facilities, investments and supplies are reflected as contributions in the accompanying statements at their estimated fair values at the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

There were no contributed services meeting the requirements for recognition in the financial statements for the years ended December 31, 2015 and 2014. No amounts are recorded in the financial statements for the value of ordinary donated services, which totaled approximately 1,450 and 2,750 volunteer hours in the years ended December 31, 2015 and 2014, respectively.

***Property, equipment and depreciation methods:***

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

Purchased property and equipment are recorded at acquisition cost. Improvements and betterments are capitalized, while repairs and maintenance expenditures are expensed in the statement of activities. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The following estimated lives are used in computing depreciation: equipment and furniture: 5 to 7 years, building and improvements: 39 years, land improvements: 15 years.

***Advertising:***

Advertising costs are expensed as incurred. Advertising costs totaled \$3,887 and \$3,497 for the years ended December 31, 2015 and 2014, respectively.

**WHITE BEAR CENTER FOR THE ARTS**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. (CONTINUED)**

***Income taxes:***

White Bear Center for the Arts is exempt from federal and Minnesota taxation pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code and Section 290.05 of the Minnesota Statutes and is only subject to federal and state income taxes on net unrelated business income. Since the Organization had no unrelated business taxable income in 2015 and 2014, the accompanying financial statements do not include any provision for federal or state income taxes.

The Organization's filings with the Internal Revenue Service are subject to audit. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements based on the criteria set forth in Accounting Standards Codification (ASC) section 740.

***Functional allocation of expenses:***

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

**NOTE 2. INVESTMENTS**

At December 31, 2015 and 2014, the fair values of the investments are determined as follows:

**Assets at Fair Value as of December 31, 2015**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Multi-asset endowment fund				\$ 69,622
	\$ -	\$ -	\$ -	\$ <b>69,622</b>

**Assets at Fair Value as of December 31, 2014**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common stocks	\$ 12,635	\$ -	\$ -	\$ 12,635
	\$ <b>12,635</b>	\$ -	\$ -	\$ <b>12,635</b>

**WHITE BEAR CENTER FOR THE ARTS**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 3. PROMISES TO GIVE**

Unconditional promises to give include pledges and grants receivable and consist of the following:

<b>DECEMBER 31,</b>	<b>2015</b>	<b>2014</b>
Amounts due in less than one year:		
Operating	\$ 27,900	\$ 20,325
Capital campaign	16,575	99,533
	<hr/>	<hr/>
<b>Total amounts due in less than one year</b>	<b>44,475</b>	<b>119,858</b>
Amounts due in one to five years:		
Operating	51,500	49,200
Capital campaign	2,000	27,667
	<hr/>	<hr/>
<b>Total amounts due in one to five years</b>	<b>53,500</b>	<b>76,867</b>
<b><i>Total unconditional promises to give</i></b>	<b>97,975</b>	<b>196,725</b>
Less allowance for uncollectible promises to give	(3,500)	(3,500)
	<hr/>	<hr/>
<b><i>Net unconditional promises to give</i></b>	<b>\$ 94,475</b>	<b>\$ 193,225</b>

**NOTE 4. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

<b>DECEMBER 31,</b>	<b>2015</b>	<b>2014</b>
Land	\$ 575,921	\$ 575,921
Land improvements	210,986	210,986
Building and improvements	1,924,221	1,924,221
Equipment and furniture	136,967	94,605
	<hr/>	<hr/>
<b><i>Total property and equipment, at cost</i></b>	<b>2,848,095</b>	<b>2,805,733</b>
Less accumulated depreciation	(244,166)	(161,140)
	<hr/>	<hr/>
<b><i>Net property and equipment</i></b>	<b>\$ 2,603,929</b>	<b>\$ 2,644,593</b>

**WHITE BEAR CENTER FOR THE ARTS**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 5. LINE OF CREDIT**

The Organization has a loan agreement during the year with their bank, through which they have a \$650,000 line of credit available. Interest accrues monthly at the prime rate (3.50% at December 31, 2015). As of December 31, 2015 and 2014 \$23,839 and \$141,839, respectively, was outstanding on the line of credit. The debt is secured by the building, equipment and inventory of the Organization. The line of credit facility was set to expire on December 31, 2017, however, the Organization paid off the entire balance subsequent to year end.

**NOTE 6. RESTRICTION ON NET ASSETS**

The Organization has been in the process of a capital campaign for the purpose of the purchase and build out of a new facility in White Bear Lake, Minnesota. The building was purchased during December 2010 and work took place in 2011 and 2012. The construction was completed in 2013 and the Organization began operating at the new facility. Temporarily restricted net assets as of December 31, 2015 and 2014 were \$94,475 and \$193,225, respectively, and were time-restricted (pledges receivable for the capital campaign and for general operations) and partially purpose-restricted for the renovation of the new arts center and related capital campaign expenses.

During 2013, the Organization received a contribution from an individual with the intention to start an endowment fund. The balance of permanently restricted net assets as of December 31, 2015 and 2014 was \$70,000 and \$45,000. While the principal will be held indefinitely, the income from the fund will be used to support the general operations of the Organization.

**NOTE 7. NON-CASH CONTRIBUTIONS**

Included in contributions in the statements of activities are non-cash contributions as follows:

<b>YEARS ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2014</b>
Event expenses	\$ 1,600	\$ 4,155
Video production	8,000	8,000
Art supplies	2,206	4,223
Furniture	5,000	-
Artwork	27,970	-
<b><i>Total</i></b>	<b>\$ 44,776</b>	<b>\$ 16,378</b>



***WHITE BEAR CENTER FOR THE ARTS***

***NOTES TO FINANCIAL STATEMENTS***

---

**NOTE 8. SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 27, 2016, the date the financial statements were available to be issued.