

AUDITED FINANCIAL STATEMENTS

CANTON MUSEUM OF ART

June 30, 2017 and 2016



HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees and Members
Canton Museum of Art
Canton, Ohio

We have audited the accompanying financial statements of Canton Museum of Art (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 Canton Museum of Art as of June 30, 2017 and 2016, 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.

Hall, Kistler & Company LLP
Certified Public Accountants

Canton, Ohio
September 26, 2017



STATEMENTS OF FINANCIAL POSITION

CANTON MUSEUM OF ART

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 239,245	\$ 150,376
Receivables:		
Grants	48,394	45,200
Other	8,150	4,023
Inventory	4,519	3,755
Prepaid expenses	50,184	20,010
TOTAL CURRENT ASSETS	<u>350,492</u>	<u>223,364</u>
Art collections (see Notes A and E)	-	-
<u>IMPROVEMENTS AND EQUIPMENT</u>		
Improvements	404,040	401,583
Office furniture, fixtures and equipment	197,119	188,440
	<u>601,159</u>	<u>590,023</u>
Less accumulated depreciation	506,779	493,353
	<u>94,380</u>	<u>96,670</u>
<u>OTHER ASSETS</u>		
Investments	4,168,533	4,275,592
Beneficial interest in assets held by Stark Community Foundation	334,609	-
	<u>4,503,142</u>	<u>4,275,592</u>
TOTAL ASSETS	<u>\$ 4,948,014</u>	<u>\$ 4,595,626</u>

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



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 65,933	\$ 57,560
Accrued expenses	41,573	35,083
TOTAL CURRENT LIABILITIES	<u>107,506</u>	<u>92,643</u>
<u>NET ASSETS</u>		
Unrestricted	3,177,043	2,735,647
Temporarily restricted	1,017,491	1,121,484
Permanently restricted	645,974	645,852
	<u>4,840,508</u>	<u>4,502,983</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,948,014</u>	<u>\$ 4,595,626</u>



STATEMENTS OF ACTIVITIES

CANTON MUSEUM OF ART

For the years ended June 30, 2017 and 2016

	2017			TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	
<u>REVENUES, GAINS AND OTHER SUPPORT</u>				
Grants and contributions	\$ 660,112	\$ 210,502	\$ -	\$ 870,614
In-kind contribution - use of facilities	420,180	-	-	420,180
Memberships	40,303	-	-	40,303
Investment income:				
Interest and dividends	147,319	25,714	132	173,165
Net realized and unrealized	12,949	1,366	(10)	14,305
Special events and benefits	102,329	-	-	102,329
Educational fees and outreach programs	99,100	-	-	99,100
Admissions	26,418	-	-	26,418
Rent	14,872	-	-	14,872
Sale of books, prints and miscellaneous	64,018	-	-	64,018
Other	7,731	-	-	7,731
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,595,331	237,582	122	1,833,035
NET ASSETS RELEASED FROM RESTRICTIONS	253,351	(253,351)	-	-
<u>EXPENSES</u>				
Program services:				
Exhibits and general gallery	540,804	-	-	540,804
Education	317,154	-	-	317,154
Special events	34,818	-	-	34,818
Cost of sales	26,649	-	-	26,649
Fundraising	86,640	-	-	86,640
Supporting services:				
General and administrative	304,710	-	-	304,710
Operation and maintenance of facilities	96,511	-	-	96,511
TOTAL EXPENSES	1,407,286	-	-	1,407,286
CHANGE IN NET ASSETS BEFORE COLLECTION OF ART NOT CAPITALIZED	441,396	(15,769)	122	425,749
<u>COLLECTION OF ART NOT CAPITALIZED</u>				
Deaccession (accession) of art, net	-	(88,224)	-	(88,224)
CHANGE IN NET ASSETS	441,396	(103,993)	122	337,525
NET ASSETS - BEGINNING OF YEAR	2,735,647	1,121,484	645,852	4,502,983
NET ASSETS - END OF YEAR	\$ 3,177,043	\$ 1,017,491	\$ 645,974	\$ 4,840,508

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



STATEMENTS OF ACTIVITIES (CONTINUED)

	2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
	<u>REVENUES, GAINS AND OTHER SUPPORT</u>			
Grants and contributions	\$ 435,604	\$ 139,166	\$ -	\$ 574,770
In-kind contribution - use of facilities	420,180	-	-	420,180
Memberships	37,744	-	-	37,744
Investment income:				
Interest and dividends	137,597	22,709	144	160,450
Net realized and unrealized	(269)	(2,622)	(18)	(2,909)
Special events and benefits	85,060	-	-	85,060
Educational fees and outreach programs	78,842	-	-	78,842
Admissions	24,205	-	-	24,205
Rent	14,990	-	-	14,990
Sale of books, prints and miscellaneous	35,699	-	-	35,699
Other	6,341	-	-	6,341
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,275,993	159,253	126	1,435,372
NET ASSETS RELEASED FROM RESTRICTIONS	198,841	(198,841)	-	-
<u>EXPENSES</u>				
Program services:				
Exhibits and general gallery	640,925	-	-	640,925
Education	280,554	-	-	280,554
Special events	169	-	-	169
Cost of sales	28,651	-	-	28,651
Fundraising	82,610	-	-	82,610
Supporting services:				
General and administrative	342,900	-	-	342,900
Operation and maintenance of facilities	97,524	-	-	97,524
TOTAL EXPENSES	1,473,333	-	-	1,473,333
CHANGE IN NET ASSETS BEFORE COLLECTION OF ART NOT CAPITALIZED	1,501	(39,588)	126	(37,961)
<u>COLLECTION OF ART NOT CAPITALIZED</u>				
Deaccession (accession) of art, net	-	499,215	-	499,215
CHANGE IN NET ASSETS	1,501	459,627	126	461,254
NET ASSETS - BEGINNING OF YEAR	2,734,146	661,857	645,726	4,041,729
NET ASSETS - END OF YEAR	\$ 2,735,647	\$ 1,121,484	\$ 645,852	\$ 4,502,983



STATEMENTS OF CASH FLOWS

CANTON MUSEUM OF ART

Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 337,525	\$ 461,254
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	13,426	24,996
Deaccession (accession) of art, net	88,224	(499,215)
Net realized and unrealized (gain) loss on investments	(14,305)	2,909
Changes in assets and liabilities:		
Receivables	(7,321)	(21,075)
Inventory and prepaid expenses	(30,938)	(7,424)
Accounts payable and accrued expenses	14,863	14,879
Net cash provided by (used in) operating activities	<u>401,474</u>	<u>(23,676)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of improvements and equipment	(11,136)	(15,418)
Deaccession (accession) of art, net	(88,224)	499,215
Purchase of investments	(450,781)	(1,145,870)
Purchase of beneficial interest in assets held by Stark Community Foundation	(310,000)	-
Proceeds from sale of investments	547,536	673,493
Net cash (used in) provided by investing activities	<u>(312,605)</u>	<u>11,420</u>
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 88,869	 (12,256)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>150,376</u>	 <u>162,632</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 239,245</u>	 <u>\$ 150,376</u>

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



NOTES TO FINANCIAL STATEMENTS

CANTON MUSEUM OF ART

June 30, 2017 and 2016

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Canton Museum of Art (Museum) is a non-profit entity organized under the laws of the State of Ohio and fully accredited by the American Alliance of Museums. The community-oriented Museum provides art services which include maintenance and exhibit of a permanent collection of fine art, presentation of a diversified schedule of both original and rental exhibitions, a wide variety of educational opportunities, and collaborations with many other community agencies.

Basis of Presentation

The Museum applies FASB ASC 958-205. Under FASB ASC 958-205, the Museum is required to report information regarding its financial position and activities according to three classes of net assets described as follows:

Unrestricted net assets – Net assets which are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Museum and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Museum. Generally, the donors of these assets permit the Museum to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 including functional allocations during the reporting period. Actual results could differ from those estimates.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

Financial instruments which potentially subject the Museum to concentrations of credit risk consist of cash, temporary investments, investment securities, and contributions receivable. The Museum places its cash and temporary investments with creditworthy, high quality financial institutions.

The Museum has significant investments in equity securities and other types of investments and is therefore subject to concentrations of credit risk. Investments are managed by investment advisors who are supervised by the Trustees. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Trustees believe that the investment policy is prudent for the long-term welfare of the Museum.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Museum considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Museum's cash accounts are maintained at high quality financial institutions and may at times exceed Federally insured amounts.

Grants and Contributions

Grants and contributions are recognized when the donor makes a promise to give to the Museum that is, in substance, unconditional. Grants and 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 grants and 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 and reported in the statement of activities as net assets released from restrictions.

Contributions of property and equipment are recorded as support at their estimated fair value. Such contributions are reported as unrestricted support unless the donor has restricted the contributed asset to a specific purpose. Assets



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions (Continued)

contributed with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those contributed assets must be maintained, the Museum reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Museum reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Inventory

Inventories of merchandise purchased for resale or used for classes are stated at lower of cost or market determined by the first-in, first-out (FIFO) method.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, based on quoted prices in active markets (all Level 1 measurements). The Museum's beneficial interest in the Stark Community Foundation pooled account (Level 3 measurement) is reported at fair value, based on reports by investment managers and the audited financial statements of the funds within the investment pool. The Museum believes this method provides a reasonable estimate of fair value. Interest and dividend income, and net realized or unrealized gains or losses on fair value of investments are included in the statement of activities and reported as increases or decreases within the appropriate class of net assets.

FASB ASC 820, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the measurement in its entirety.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value. The Museum's investments in certificates, equity securities, mutual funds and agency bonds are Level 1 inputs.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and include:

Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. The Museum had no Level 2 inputs.

Level 3 inputs are unobservable inputs for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances. The Museum's beneficial interest in the Stark Community Foundation pooled account is a Level 3 input.

During the year ended June 30, 2017, the Museum funded a beneficial interest in assets held by the Stark Community Foundation, a community trust established to administer gifts or bequests for public charitable uses. All contributions are held, invested, and managed by the Stark Community Foundation as a permanent endowment fund for the benefit of the Museum in accordance with terms of the agreement. Income from the fund is available with the approval of the Museum's Board of Directors and the principal may be obtained with approval from the Museum's Board of Directors as well as the approval of the Stark Community Foundation's Board.

Improvements and Equipment

Improvements and equipment are recorded at cost or fair value in the case of donated property at the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred, while expenditures for additions and improvements are generally capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense amounted to \$13,426 and \$24,996 for the years ended June 30, 2017 and 2016, respectively.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facilities and Services

The Museum entered into an agreement with Arts in Stark (formerly the Cultural Center for the Arts) (AIS) of Canton, Ohio for the use of facilities at 1001 Market Avenue North. The agreement is automatically renewed from year to year, unless notification to the contrary is made by either party 120 days prior to the end of the calendar year. Under the agreement, no rental payments are made to AIS. However, the Museum is responsible for maintenance and repair of the facilities, as well as its pro rata share of certain utility costs.

Contributed facility income and expense for the special purpose facilities has been reflected in the financial statements under the heading "In-kind contribution – use of facilities" and within various expenses, respectively, in the amount of \$420,180 for the years ended June 30, 2017 and 2016, respectively.

The value of contributed services is not included in the financial statements since no objective method of measuring their value is available. However, there are a number of volunteers who have donated a considerable amount of time to the Museum's programs and activities.

Art Collections

The Museum's art collections, which were purchased or donated, are not included as assets in the statement of financial position. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections. Purchases of collection items are recorded as decreases in net assets in the year in which the items are acquired. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions are reflected as increases in net assets.

Functional Allocation of Costs

Costs of providing various programs and other activities have been summarized on the statement of activities on a functional basis as determined by management.

Advertising Costs

Advertising costs, which are expensed as incurred, totaled \$97,309 and \$88,281 for the years ended June 30, 2017 and 2016, respectively.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Museum is a non-profit entity and has been granted an exemption from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

Uncertain Tax Positions. The Museum complies with the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The provisions prescribe a two-step process for recognizing and measuring income tax uncertainties. First, a threshold condition of “more likely than not” should be met to determine whether any of the benefit from an uncertain tax position should be recognized in the financial statements. If the recognition threshold is met, FASB ASC 740-10 provides additional guidance on measuring the amount of the uncertain tax position. The Museum may recognize a tax benefit from an uncertain tax position under FASB ASC 740-10 only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements from an uncertain position should be measured under FASB ASC 740-10 based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. FASB ASC 740-10 also provides guidance on derecognition, classification, transition and increased disclosure of uncertain tax positions. The Museum recognized no liability for unrecognized tax benefits resulting from FASB ASC 740-10 as of June 30, 2017 and 2016.

Subsequent Events

The Museum has evaluated subsequent events through September 26, 2017, the date which the financial statements were available to be issued.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE B - INVESTMENTS

Investments and beneficial interests stated at fair value at June 30, 2017 are summarized as follows:

Asset Category	Fair Value at June 30, 2017	Level 1	Level 2	Level 3
Money funds	\$ 142,914	\$ 142,914	\$ -	\$ -
Certificates	353,167	353,167	-	-
Common stocks	3,056,636	3,056,636	-	-
Corporate bonds and notes	141,326	141,326	-	-
Mutual funds	474,490	474,490	-	-
Investment in beneficial interest in a pooled account	334,609	-	-	334,609
	\$ 4,503,142	\$ 4,168,533	\$ -	\$ 334,609

Investments stated at fair value at June 30, 2016 are summarized as follows:

Asset Category	Fair Value at June 30, 2016	Level 1	Level 2	Level 3
Money funds	\$ 270,420	\$ 270,420	\$ -	\$ -
Certificates	297,249	297,249	-	-
Common stocks	3,381,773	3,381,773	-	-
Corporate bonds and notes	121,948	121,948	-	-
Mutual funds	204,202	204,202	-	-
	\$ 4,275,592	\$ 4,275,592	\$ -	\$ -

Fair value measurements using significant unobservable inputs (Level 3) at June 30, 2017:

Beginning balance	\$ -
Transfer into Level 3	310,000
Total gains or losses for the period	24,170
Total other earned income	1,655
Management fees paid	(1,216)
Ending balance	\$ 334,609



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE C - GRANTS RECEIVABLE

Grants receivable are expected to be collected in:

	<u>2017</u>	<u>2016</u>
Less than one year	\$ 48,394	\$ 45,200
One to five years	-	-
	<u>\$ 48,394</u>	<u>\$ 45,200</u>

NOTE D - OPERATING LEASE

The Museum leases office equipment under a five-year noncancelable operating lease expiring in June 2018. Future minimum rental payments required under the lease amount to \$3,577 per year through June 30, 2018. Lease expense for each of the years ended June 30, 2017 and 2016 was \$3,577.

NOTE E - ART COLLECTIONS

The Museum's collections are made up of art objects that are held for educational and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their condition are performed continuously.

The cost of all objects purchased or repaired, less the proceeds from deaccessions of objects, is reported as a separate program expense. Purchased accessions amounted to \$100,336 and \$38,570 for the years ended June 30, 2017 and 2016, respectively. Sold deaccessions were \$12,112 and \$537,785 for the years ended June 30, 2017 and 2016, respectively.

The estimated fair value of the collection for insurance purposes was approximately \$21,282,695 and \$21,240,095 at June 30, 2017 and 2016, respectively. The Permanent Collection is broken down into six (6) categories: 3D, Ceramics, Drawings, Oils, Prints & Watercolors. Each category of artwork is appraised once every ten (10) years, as suggested by professional appraisers.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE F - RESTRICTIONS ON NET ASSETS

Restrictions on net assets as of June 30 are as follows:

	<u>2017</u>	<u>2016</u>
Temporarily restricted net assets are available for the following purposes:		
Purchase of art, conservation, and exhibits	\$ 812,353	\$ 887,572
Scholarships and education	20,187	19,424
Other	184,951	214,488
	<u>\$ 1,017,491</u>	<u>\$ 1,121,484</u>

Restrictions on net assets as of June 30 are as follows:

	<u>2017</u>	<u>2016</u>
Permanently restricted net assets, income restricted to:		
Operations	\$ 586,354	\$ 586,247
Purchase of art	38,383	38,376
Education	21,237	21,229
	<u>\$ 645,974</u>	<u>\$ 645,852</u>

NOTE G - RETIREMENT ANNUITY PLAN

The Museum has in effect a defined contribution retirement annuity plan covering substantially all of the Museum's full-time employees. Under the plan, contributions made by the employees through salary reduction agreements are matched by the Museum. Since the annuities are owned individually, each participant is fully vested. The expense to the Museum was \$8,312 and \$9,126 for the years ended June 30, 2017 and 2016, respectively.



HALL, KISTLER & COMPANY LLP

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INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees and Members
Canton Museum of Art
Canton, Ohio

We have audited the financial statements of Canton Museum of Art as of and for the years ended June 30, 2017 and 2016, and have issued our report thereon dated September 26, 2017, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of supporting service expenses is presented for the 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.

Hall, Kistler & Company LLP
Certified Public Accountants

Canton, Ohio
September 26, 2017



SCHEDULES OF SUPPORTING SERVICE
EXPENSES

CANTON MUSEUM OF ART

(See independent auditor's report on other financial information.)

Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>GENERAL AND ADMINISTRATIVE</u>		
Salaries and wages	\$ 87,113	\$ 96,473
Office supplies	6,050	8,201
Telephone	621	611
Postage	3,266	3,122
Advertising and promotion	97,309	88,281
Potters guild	8,954	9,223
Subscription service and membership	6,744	3,545
Legal and accounting	15,320	25,104
Investment fees	29,343	21,202
Insurance	4,535	4,513
Computer expenses	5,802	17,344
Payroll taxes and employee benefits	17,754	18,117
Depreciation	13,426	24,996
Miscellaneous	8,473	22,168
	<u>\$ 304,710</u>	<u>\$ 342,900</u>
<u>OPERATION AND MAINTENANCE OF FACILITIES</u>		
Contributed use of facilities	\$ 73,532	\$ 73,532
Utilities and maintenance	21,058	21,837
Supplies and material	1,921	2,155
	<u>\$ 96,511</u>	<u>\$ 97,524</u>