

Consolidated Financial Statements, Supplemental
Schedules and Independent Auditors' Report

**Robert W. Woodruff Arts Center, Inc.
and Subsidiary**

May 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Governing Board of Robert W. Woodruff Arts Center, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Robert W. Woodruff Arts Center, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of May 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Robert W. Woodruff Arts Center, Inc. and Subsidiary as of May 31, 2017 and 2016, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Smith + Howard

Atlanta, Georgia
November 3, 2017

Consolidated statements of financial position

May 31	2017	2016
Assets		
Cash and cash equivalents	\$ 3,524,083	\$ 8,073,004
Cash and cash equivalents - restricted for Alliance Theatre renovation	15,500,000	-
Pledges and other receivables, net	41,919,331	49,370,656
Inventories	486,492	638,768
Prepaid expenses	2,839,712	2,428,416
Investments	436,735,525	403,448,347
Debt service reserve fund - restricted	6,133,198	6,115,912
Beneficial interest in perpetual trusts	19,910,539	18,729,934
Contributions receivable from remainder trusts	1,002,798	905,909
Construction in progress	7,878,422	4,055,533
Land, buildings and equipment, net	162,744,939	167,771,033
Total assets	\$ 698,675,039	\$ 661,537,512
Liabilities		
Accounts payable and accrued expenses	\$ 14,212,368	\$ 12,186,567
Deferred revenue	1,968,673	2,914,735
Advance ticket sales	3,481,520	3,030,933
Lines of credit	4,000,000	8,031,858
Interest rate swap liability	5,098,101	6,839,730
Pension liability	16,128,202	16,909,999
Bonds payable, net	167,387,842	169,670,411
Total liabilities	212,276,706	219,584,233
Net assets		
Unrestricted	75,733,921	81,652,801
Temporarily restricted	132,437,255	95,456,284
Permanently restricted	278,227,157	264,844,194
Total net assets	486,398,333	441,953,279
Total liabilities and net assets	\$ 698,675,039	\$ 661,537,512

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

Consolidated statements of activities

For the years ended May 31	2017	2016
Changes in unrestricted net assets:		
Revenues and gains:		
Operating revenues	\$ 32,425,901	\$ 37,873,361
Contributions	27,991,898	28,018,700
Investment income	1,074,672	1,576,027
Realized gains (losses) on investments	(322,292)	917,352
Unrealized gains (losses) on investments	14,321,145	(13,446,538)
Total revenues and gains	75,491,324	54,938,902
Expenses:		
Operating expenses	77,399,008	85,644,318
Interest expense and related fees	7,378,258	7,682,630
Depreciation and amortization	8,559,109	9,329,445
Acquisitions of works of art	2,907,623	1,674,839
Other	3,494,441	2,856,164
Total expenses	99,738,439	107,187,396
Net assets released from restrictions	25,838,051	24,428,661
Change in donor restrictions	(9,491,342)	(601,000)
Other income (expense):		
Pension related changes other than net periodic pension costs	240,879	(3,860,104)
Change in value of interest rate swap	1,741,629	119,173
Gain (loss) on disposal of long-lived assets	(130,784)	5,162,528
Other	129,802	(484,840)
Total other income (expense)	1,981,526	936,757
Change in unrestricted net assets	(5,918,880)	(27,484,076)
Changes in temporarily restricted net assets:		
Contributions	23,260,411	12,408,325
Investment income	3,558,340	4,798,299
Realized gains (losses) on investments	(2,441,321)	6,703,782
Unrealized gains (losses) on investments	34,444,781	(17,483,930)
Change in value of split interest agreements	(13,189)	(14,440)
Change in donor restrictions	4,010,000	(500,000)
Net assets released from restrictions	(25,838,051)	(24,428,661)
Change in temporarily restricted net assets	36,980,971	(18,516,625)
Changes in permanently restricted net assets:		
Contributions	6,664,255	28,061,349
Change in donor restrictions	5,481,342	1,101,000
Change in value of split interest agreements	1,237,366	(1,121,061)
Change in permanently restricted net assets	13,382,963	28,041,288
Total change in net assets	44,445,054	(17,959,413)
Net assets at beginning of year	441,953,279	459,912,692
Net assets at end of year	\$ 486,398,333	\$ 441,953,279

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

Consolidated statements of cash flows

For the years ended May 31	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 44,445,054	\$ (17,959,413)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	8,559,109	9,329,445
Amortization of bond premiums and discounts	(517,032)	(1,090,733)
Amortization of unamortized debt issuance costs	169,463	265,508
Provision for uncollectible receivables	934,176	809,266
Pledge present value discount	(207,977)	467,302
(Gain) loss on disposal of long-lived assets	130,784	(5,162,528)
Change in pension obligation	(781,797)	3,295,224
Change in value of split interest agreements	(1,224,177)	1,082,218
Change in value of interest rate swap	(1,741,629)	119,173
Permanently restricted contributions	(6,664,255)	(29,162,348)
Net realized and unrealized (gains) losses on investments	(46,002,313)	23,309,334
Undistributed gain from joint venture	-	(51,740)
Changes in operating assets and liabilities:		
Pledges and other receivables	(14,714,868)	(7,073,485)
Inventories	152,276	123,462
Prepaid expenses	(411,296)	580,182
Accounts payable and accrued expenses	916,484	(1,901,620)
Deferred revenue	(946,062)	(804,212)
Advance ticket sales	450,587	(2,158,261)
Net cash used by operating activities	(17,453,473)	(25,983,226)
Cash flows from investing activities:		
Acquisition of land, buildings, and equipment, net	(6,430,688)	(5,014,270)
Distribution from joint venture	-	383,370
Proceeds from sale or maturity of investments	184,255,676	193,926,347
Purchase of investments	(171,557,828)	(200,402,715)
Net cash provided (used) by investing activities	6,267,160	(11,107,268)
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Investment in endowment	8,087,134	31,153,747
Investment in property and equipment	20,017,116	3,752,561
Payment of debt issuance costs	-	(742,652)
Net advances (repayments) under lines of credit	(4,031,858)	8,031,858
Proceeds from issuance of bonds payable	-	58,931,676
Principal repayment on bonds payable	(1,935,000)	(62,835,000)
Net cash provided by financing activities	22,137,392	38,292,190
Net increase in cash and cash equivalents	10,951,079	1,201,696
Cash and cash equivalents at beginning of year	8,073,004	6,871,308
Cash and cash equivalents at end of the year	\$ 19,024,083	\$ 8,073,004
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 7,694,709	\$ 8,667,705
Income taxes paid	\$ 51,000	\$ -

Non-Cash Operating and Investing Activities:

At May 31, 2017, accounts payable and accrued expenses included construction in progress of approximately \$1,056,000.

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

1 Significant Accounting Policies

The consolidated financial statements of the Robert W. Woodruff Arts Center, Inc. and Subsidiary (collectively the Arts Center) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the accounts of each of its divisions: the Alliance Theatre Company, the Atlanta Symphony Orchestra, the High Museum of Art and the Woodruff Arts Center Administration. The consolidated financial statements include the wholly owned subsidiary Encore Park for the Arts, Inc. There are no assets or liabilities or any activity within Encore Park for the Arts, Inc. through May 31, 2017. The significant accounting policies of the Arts Center are described below.

The Arts Center classifies resources into three net asset categories depending on the existence of or absence of donor-imposed restrictions. A description of the three net asset categories is as follows:

1. Unrestricted - Net assets that are not subject to donor-imposed stipulations.
2. Temporarily restricted - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Arts Center pursuant to those stipulations or that expire by the passage of time.
3. Permanently restricted - Net assets subject to donor-imposed stipulations requiring that the corpus be maintained permanently by the Arts Center. Generally, the donors of these assets permit the Arts Center to use all or part of the investment return from these assets for general or specific purposes subject to the Arts Center's interpretation of state law. Such assets include the Arts Center's permanent endowment funds.

Donors at times change the intent of their gifts and when this occurs, the Arts Center transfers funds to agree to the donor's request. During the year ended May 31, 2017, donors redirected contributions received in previous years to various endowment funds and to the Transformation Campaign as further described in Note 2. A total of \$9,491,342 was redirected from unrestricted net assets to permanently restricted net assets in the amount of \$5,481,342 and to temporarily restricted net assets in the amount of \$4,010,000.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. 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 net assets released from restrictions. Contributions with donor-imposed restrictions are reported as restricted support; however, donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted net assets under the principle of simultaneous release.

Cash and Cash Equivalents

The Arts Center considers investments with maturities of three months or less to be cash equivalents except for highly liquid investments that are held for reinvestment. At May 31, 2017, approximately \$15,500,000 included in cash and cash equivalents is restricted for renovation of the Alliance Theatre. A significant portion of cash and cash equivalents are on deposit with a single financial institution. These accounts at times may exceed federally insured limits. The Arts Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. If liquidity issues arise in global credit and capital markets it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue 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. Pledges related to future exhibitions or events, are treated as conditional promises to give until the obligations and conditions upon the pledge are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted using a risk-adjusted rate appropriate for the expected term of the promise to give. Amortization of the discount is recorded as contribution revenue in accordance with donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fund-raising activity.

Inventories

Inventories are stated at the lower of cost or market. The first-in, first-out method is used to determine the cost of inventories. Inventories consist primarily of items held for resale at the High Museum of Art and the Atlanta Symphony Orchestra gift shops. Inventory items include books, jewelry, clothing and other exhibit-related materials.

Investments

The Arts Center records its investments at fair value. Fair value for investments is based on quoted market prices or dealer quotes, where available. As explained in Notes 3 and 4, the consolidated financial statements include alternative investments, whose fair values have been estimated by management in the absence of readily observable fair values. Management's estimates are based on information provided by the investment fund managers or the general partners. Accordingly, the estimated fair value of such investments is subject to uncertainty and, therefore, may differ from the value that would have been used had an active market existed. The values assigned to these holdings do not necessarily represent amounts which might ultimately be realized upon sale or other disposition.

Net appreciation (depreciation) in the fair value of investments, which consists of the net realized gains and losses and the net unrealized appreciation (depreciation) on those investments, is presented in the accompanying consolidated statements of activities. Investment income, which represents interest and dividends, is presented net of investment expenses of approximately \$942,000 and \$1,010,000 for the years ended May 31, 2017 and 2016, respectively.

The Arts Center holds a variety of investments, the underlying securities of which are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the value of the investment securities could occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Deferred Revenue

Revenues received in exchange transactions are recognized as deferred revenue to the extent the earnings process has not been completed. These revenues are recorded as unrestricted revenues when the related obligations have been satisfied.

Operating Revenues and Expenses

The Arts Center considers revenue from exchange transactions as increases in unrestricted net assets to the extent the earnings process is complete and reports such items as operating revenues. Operating revenues include ticket sales, admissions, memberships, special events, exhibition fees and sponsorship fees. Operating expenses include costs related to carrying out its mission of providing performing art and exhibitions for the community.

Investment income and realized net gains (losses) and change in unrealized appreciation (depreciation) in fair value of investments included in changes in unrestricted net assets includes amounts related to operating investments and plant fund investments. Interest expense, depreciation and amortization, and acquisitions of works of art are primarily plant fund expenditures. The musicians of the Atlanta Symphony Orchestra are covered under the terms of its collective bargaining agreement which will expire on September 8, 2018.

Museum membership income is recognized at the time the membership is sold.

Land, Buildings and Equipment

Major property additions are recorded at cost. Property received as a donation is recorded at fair value at the time of donation. Buildings and equipment are stated at cost less accumulated depreciation. Depreciation of buildings and equipment is recorded using the straight-line method with a half-year convention over the estimated useful lives of the related assets.

Contributions of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted contributions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the restrictions are considered to be met when the long-lived asset is placed into service.

Works of Art

The Museum's collections comprise more than 16,400 objects and works of art. The collections are maintained for public exhibition, education and research in furtherance of public service rather than for financial gain and are considered to have cultural, aesthetic or historical value worth preserving perpetually. In conformity with accounting practices generally followed by art museums, the value of the Museum's collections has been excluded from the consolidated statements of financial position. Contributions for purchases of art objects are recorded as increases in net assets and purchases of art objects are recorded as decreases in net assets in the consolidated statements of activities. Proceeds received from the deaccession of works of art are used to purchase other works of art. Proceeds from deaccessions of works of art were \$128,404 and \$166,277 for the years ended May 31, 2017 and 2016, respectively. These amounts are included in temporarily restricted contributions on the accompanying consolidated statements of activities.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, pledges and other receivables, and accounts payable and accrued expenses approximate fair value because of the relative terms and short maturity of these financial instruments.

The carrying values, which approximate fair value of investments, beneficial interests in perpetual trusts, contributions receivable from remainder trusts and the interest rate swap are based upon quoted market values when available or management's estimate in the absence of readily determinable fair values.

Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3: Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Arts Center. The Arts Center considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency or liquidity of the instrument and does not necessarily correspond to the Arts Center's perceived risk of that instrument.

In accordance with ASC Topic 820-10, as amended by Accounting Standards Update ("ASU") 2015-07, certain investments that are measured using the net asset value ("NAV") per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

The Art Center's notes and bonds payable are considered financial instruments that are not periodically remeasured at fair value and therefore are carried at face value on the accompanying consolidated financial statements. The carrying amounts of variable rate notes and variable rate bonds payable approximate fair value because these financial instruments bear interest at variable rates which approximate current market rates for notes with similar maturities and credit quality. The fair market value of fixed rate bonds as of May 31, 2017 and 2016, respectively, was approximately \$121,298,000 and \$127,280,000 compared to their respective carrying value of \$113,785,000 and \$115,720,000.

Contributed Services

The Arts Center records contributed services as contribution revenue and as an expense if the services create or enhance a nonfinancial asset, or the services would (1) need to be purchased by the Arts Center if not provided by contribution, (2) require specialized skills and (3) be provided by individuals with those skills. Contributed services received during the years ended May 31, 2017 and 2016, totaled approximately \$754,000 and \$698,000, respectively, and consisted primarily of legal and professional services, advertising costs, certain insurance coverage costs and air travel discounts. These amounts, which have been reflected in both operating revenues and expenses in the accompanying consolidated statements of activities, represent the estimated value of services that would have normally been purchased by the Arts Center.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ended May 31, 2017 and 2016 were \$2,631,750 and \$3,655,958, respectively.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and any such difference could be significant.

Income Tax Status

The Arts Center is recognized as an organization exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) whereby only unrelated business income, is subject to Federal income tax. Any provision or liability for federal and state income taxes was not significant to the overall consolidated financial statements.

ASC 740, *Accounting for Uncertainty in Income Taxes*, establishes the criterion that an individual tax position has to meet for some or all of the benefits of that position to be recognized in the Arts Center's consolidated financial statements. Under ASC 740, the Arts Center is required to determine that the relevant tax authority would more likely than not sustain its tax position following an IRS audit. Tax years open to examination by tax authorities under the statute of limitations include fiscal 2014 through 2017. The Arts Center has determined that its material tax positions satisfy the more likely than not criterion and that no provision for income taxes was required at May 31, 2017 and 2016, for uncertain tax positions.

Subsequent Events

The Arts Center has considered subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

2 Pledges and Other Receivables

The present value of unconditional promises to give is included in the consolidated financial statements, net of an allowance for doubtful accounts and present value discount. The Arts Center wrote off net uncollectible receivables of approximately \$595,000 and \$96,000 during the years ending May 31, 2017 and 2016, respectively.

Unconditional promises to give are expected to be collected in the following periods:

May 31	2017	2016
In one year or less	\$ 11,233,780	\$ 12,045,109
Between one and five years	21,299,359	27,732,716
Over five years	200,000	350,000
Total pledges receivables	32,733,139	40,127,825
Less:		
Allowance for doubtful accounts	1,954,737	1,900,109
Present value discount	1,801,712	2,009,689
Total allowance & discounts	3,756,449	3,909,798
Total pledges receivables, net	28,976,690	36,218,027
Deferred rental income (A)	5,680,554	5,028,385
Investment in sales type lease (A)	5,504,330	5,614,183
Other receivables	1,757,757	2,510,061
Total pledges and other receivables, net	\$ 41,919,331	\$ 49,370,656

Contributions to be received after one year are discounted using a risk-adjusted rate appropriate for the expected term of the promise to give. Amortization of discounts is recorded as contribution revenue in accordance with donor-imposed restrictions on the respective contributions. Estimated future cash flows to be received after one year are discounted at rates ranging from 0.17% to 4.58% plus an allowance for credit risk as needed.

(A) Investment in sales type lease and deferred rental income as a result of certain leases are further described in Note 16.

In the first quarter of 2015, the Arts Center publically announced its \$100 million “Transformation Campaign,” a fundraising initiative designed to transform the Arts Center in three primary areas, namely (1) growing the Arts Center’s endowment by a total of \$56 million; (2) making capital improvements of \$35 million; and (3) providing greater access to the arts for families and activation of the Arts Center’s campus, the fundraising goal of which is \$9 million. Pledges received through May 31, 2017 from donors to this Campaign are reflected in the pledges receivables shown in the table above and in the conditional pledges described immediately below.

Conditional Pledges

At May 31, 2016, the Arts Center had conditional promises to give in the amounts of \$15,287,700 which were conditional on raising \$10,500,000 in additional capital campaign promises to give and approximately \$788,000 in endowment promises to give. In conjunction with the Transformation Campaign discussed above, the conditions were met during the year ending May 31, 2017 and these promises were recognized as temporarily restricted and permanently restricted contributions in the consolidated statements of activities. As of May 31, 2017, the Arts Center had no conditional promises to give.

3 Investments

The Arts Center maintains the majority of its investment portfolios in a master custody arrangement at a bank where the investments are pooled based upon investment objectives. Each investment fund subscribes to or disposes of units on the basis of the fair value at the end of the calendar month within which a transaction takes place.

Investments at carrying value were comprised of the following:

May 31	2017	2016
Cash and Cash Equivalents	\$ 16,466,656	\$ 23,349,458
Equity Securities:		
Domestic	115,750,492	98,591,104
International	14,134,409	25,525,253
Corporate debt securities	-	10,786,858
Alternatives:		
Commingled funds - debt and equity	155,406,451	111,479,801
Hedge Funds	115,395,061	112,634,467
Private Equity funds	7,520,891	9,378,278
Distressed Opportunity funds	639,747	1,170,915
Emerging Markets	1,310,109	1,471,122
Senior Direct Loan Funds	1,046,296	1,232,498
Real Estate Funds	5,479,357	5,652,671
Real Asset Funds	3,586,056	2,175,922
Total	\$ 436,735,525	\$ 403,448,347

The Arts Center's investment strategy is to preserve the real purchasing power of the assets by earning a total rate of return equaling or exceeding its spending rate plus inflation over full market cycles of three to five years (net of fees). Commingled funds are included in classifications below depicting how funds are principally invested. The asset allocation parameters are as follows:

As of May 31, 2017	Target Allocation	Actual Allocation
U.S. Equity Large/Mid Cap	20%	20%
U.S. Equity Small Cap	5%	5%
International Equity	15%	19%
Fixed Income	14%	14%
Alternative Investments (excludes commingled funds)	39%	31%
Emerging Markets Equity	7%	8%
Cash/Cash Equivalents	0%	3%

Investments are expected to exceed the benchmarks listed below over a full market cycle (three to five years). Investment managers are expected to achieve the following objectives while consistently adhering to their investment style.

Total Fund	CPI + 5% - Passive Investment in Optimal Asset Allocation
U.S. Equity Large/Mid Cap	S&P 500
U.S. Equity Small Cap	Russell 2000
International Equity	MSCI EAFE
Fixed Income	Barclays Capital Aggregate
Alternative Investments	US Treasury bills + 5% and HFRI Fund of Funds Index
Emerging Markets	MSCI Emerging Markets

The Arts Center has investments in certain partnerships and is obligated under the related partnership agreements to invest additional capital amounts over the next five years. The Arts Center was committed to invest \$9,952,511 and \$7,377,919 in additional capital as of May 31, 2017 and 2016, respectively.

4 Fair Value of Financial Instruments

The following table summarizes the fair value of financial instruments measured at fair value on a recurring basis in the statements of financial position:

May 31, 2017	Level 1	Level 2	Level 3	Measured at NAV	
				(a)	Total
Equity securities:					
Domestic	\$ 115,750,492	\$ -	\$ -	\$ -	\$ 115,750,492
International	14,134,409	-	-	-	14,134,409
Alternative investments					
Commingled funds - debt and equity	-	99,305,798	-	56,100,653	155,406,451
Hedge Funds	-	-	-	115,395,061	115,395,061
Private Equity funds	-	-	-	7,520,891	7,520,891
Distressed Opportunity funds	-	-	-	639,747	639,747
Emerging Markets	-	-	-	1,310,109	1,310,109
Senior Direct Loan Funds	-	-	-	1,046,296	1,046,296
Real Estate Funds	-	-	-	5,479,357	5,479,357
Real Asset Funds	-	-	-	3,586,056	3,586,056
Contributions receivable from remainder trust	-	-	1,002,798	-	1,002,798
Beneficial interest in perpetual trusts	-	-	19,910,539	-	19,910,539
Interest rate swap	-	(5,098,101)	-	-	(5,098,101)
Total	\$ 129,884,901	\$ 94,207,697	\$ 20,913,337	\$ 191,078,170	\$ 436,084,105

May 31, 2016	Level 1	Level 2	Level 3	Measured at NAV	
				(a)	Total
Equity securities:					
Domestic	\$ 98,591,104	\$ -	\$ -	\$ -	\$ 98,591,104
International	25,525,253	-	-	-	25,525,253
Corporate debt securities	10,786,858	-	-	-	10,786,858
Alternative investments					
Commingled funds - debt and equity	-	66,775,313	-	44,704,488	111,479,801
Hedge Funds	-	-	-	112,634,467	112,634,467
Private Equity funds	-	-	-	9,378,278	9,378,278
Distressed Opportunity funds	-	-	-	1,170,915	1,170,915
Emerging Markets	-	-	-	1,471,122	1,471,122
Senior Direct Loan Funds	-	-	-	1,232,498	1,232,498
Real Estate Funds	-	-	-	5,652,671	5,652,671
Real Asset Funds	-	-	-	2,175,922	2,175,922
Contributions receivable from remainder trust	-	-	905,909	-	905,909
Beneficial interest in perpetual trusts	-	-	18,729,934	-	18,729,934
Interest rate swap	-	(6,839,730)	-	-	(6,839,730)
Total	\$ 134,903,215	\$ 59,935,583	\$ 19,635,843	\$ 178,420,361	\$ 392,895,002

- (a) In accordance with ASC Topic 820-10, as amended by ASU 2015-07, certain investments that are measured using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the carrying values disclosed in Note 3. Cash and cash equivalents are not included in the above table.

The following table summarizes the changes in fair values associated with investments in level 3 assets:

	Balance as of May 31, 2016	Realized gain	Change in Unrealized Appreciation (Depreciation)	Sales / Distributions	Purchases	Balance as of May 31, 2017
Contributions receivable from remainder trust	\$ 905,909	\$ -	\$ 96,889	\$ -	\$ -	\$ 1,002,798
Beneficial interest in perpetual trusts	18,729,934	-	1,180,605	-	-	19,910,539
Balance	\$ 19,635,843	\$ -	\$ 1,277,494	\$ -	\$ -	\$ 20,913,337

	Balance as of May 31, 2015	Realized gain	Change in Unrealized Appreciation (Depreciation)	Sales / Distributions	Purchases	Balance as of May 31, 2016
Contributions receivable from remainder trust	\$ 1,155,429	\$ -	\$ 15,496	\$ (265,016)	\$ -	\$ 905,909
Beneficial interest in perpetual trusts	19,870,069	-	(1,140,135)	-	-	18,729,934
Balance	\$ 21,025,498	\$ -	\$ (1,124,639)	\$ (265,016)	\$ -	\$ 19,635,843

Investments Measured at NAV per Share or Equivalent

The Arts Center's investment advisor performs on-going due diligence of the funds which includes benchmarking and comparing the results of the fund to certain applicable indexes. The Arts Center's investment advisor also has regular calls with management of the funds and meets periodically with the Arts Center's investment committee and reports the performance of the funds. There were no changes in valuation techniques noted for these funds for 2017 and 2016.

Sensitivity of Fair Value Measurements and Changes in Significant Observable Inputs

The significant unobservable inputs used in the fair value measurement of the Arts Center's alternative investments are subject to market risks resulting from changes in the market value of its investments. Investments measured at NAV per share or equivalent may be sold at amounts different than the NAV per share due to various restriction and redemptive requirements as described below.

Category		Fair Value at May 31, 2017	Fair Value at May 31, 2016	Unfunded Commitments	Expected Liquidity Term	Redemption Terms	Redemption Restrictions	Redemption Restrictions at May 31, 2017
Private Equity Funds	(a)	\$ 7,520,891	\$ 9,378,278	\$ 1,807,572	10 - 15 years	N/A *	N/A *	N/A *
Distressed Opportunity funds	(b)	639,747	1,170,915	60,000	10 - 15 years	N/A *	N/A *	N/A *
Emerging Markets	(c)	1,310,109	1,471,122	100,000	10 - 15 years	N/A *	N/A *	N/A *
Senior Direct Loan Funds	(d)	1,046,296	1,232,498	307,347	10 - 15 years	N/A *	N/A *	N/A *
Real Asset Funds	(e)	3,586,056	2,175,922	368,489	10 - 15 years	N/A*	N/A*	N/A*
Real Estate Funds	(f)	5,479,357	5,652,671	7,309,103	10 - 15 years	N/A*	N/A*	N/A*
Hedge Funds	(g)	94,208,562	93,910,755	-	N/A	90 days	1 - 3 year lock	1 - 3 year lock
Hedge Funds	(h)	21,186,499	18,723,712	-	N/A	Monthly, 30 - 90 days	None	None
Commingled Funds	(i)	43,040,912	39,704,488	-	N/A	2 - 90 days	None	None
Commingled Funds	(j)	13,059,741	5,000,000	-	N/A	Quarterly, 180 days	1 year lock	1 year lock

* These investments have no ability to redeem with the fund.

- (a) This class includes several private equity funds that invest primarily in foreign and U.S. start-up companies and buyouts. These investments are in the form of limited partnership agreements and therefore cannot be redeemed with the funds. Rather, liquidation of the investments results in distributions from the funds to the limited partners. The fair values of the investments in this class have been estimated using the NAV of the Arts Center's ownership interest in partners' capital.
- (b) This class includes several funds which invest primarily in distressed equity and fixed income securities of foreign and U.S. companies. These investments are in the form of limited partnership agreements and therefore can never be redeemed with the funds. Distributions are received from the liquidation of the underlying investments in the funds. The fair values of the investments in this class have been estimated using the NAV of the Arts Center's ownership interest in partners' capital.
- (c) This class consists of one fund which invests in private companies in the emerging markets of Brazil, Russia, India and China. This investment is in the form of a limited partnership agreement and therefore can never be redeemed with the funds. Distributions are received from the liquidation of the underlying investments in the funds. The fair values of the investments in this class have been estimated using the NAV of the Arts Center's ownership interest in partners' capital.
- (d) This class consists on one fund which invests in privately placed senior first lien loans to both public and private companies in the U.S. This investment is in the form of a limited partnership agreement and therefore can never be redeemed with the funds. Distributions are received both in the form of current interest income and also from the liquidation of the underlying loans in the fund. Most loans have short maturities of 5 year or less. The fair values of the investments in this class have been estimated using the NAV of the Arts Center's ownership interest in partners' capital.
- (e) This class consists of one fund which invests commodities, specifically oil and gas, metals and mining and power and renewables. This investment is in the form of a limited partnership agreement. The fair values of the investments in this class have been estimated using the NAV of the Arts Center's ownership interest in partners' capital.

- (f) This class includes four private equity fund of funds that invest primarily in real estate and distressed real estate. These investments are in the form of limited partnership agreements and therefore cannot be redeemed with the funds. Rather, liquidation of the investments results in distributions from the funds to the limited partners. The fair values of the investments in this class have been estimated using the NAV of the Arts Center's ownership interest in partners' capital.
- (g) This class consists of an investment in a fund of funds which invests in a series of investment strategies the objective of which is to provide an absolute return over long periods of time regardless of market conditions. These investment strategies include, but are not limited to, long/short equity, debt and equity arbitrage, capital structure arbitrage and equity market neutral strategies. The fair values of the investments in this class have been determined using the NAV per share of the funds.
- (h) This class of investments consists of two funds which invest primarily in long/short equity investments. One fund is a fund of funds while the other is a direct investment in a single manager. The investment strategy involved in this class is long/short foreign and U.S. equity securities. The fair values for the investments in this class have been determined using the NAV per share of the funds.
- (i) This class of investments consists of a number of commingled funds investing in U.S. equities, foreign sovereign debt, fixed income vehicles, derivatives, and bank loans. The fair values for the investments in this class have been determined using the NAV per share of the funds.
- (j) This class consists of a commingled fund investing in U.S. equities, foreign sovereign debt, fixed income vehicles, derivatives, and bank loans. The fair values for the investment in this class has been determined using the NAV per share of the fund.

Beneficial Interests in Perpetual Trusts and Contributions Receivable from Remainder Trusts

Beneficial interests in perpetual trusts and contributions receivable from remainder trusts classified within level 3 have significant unobservable inputs. Beneficial interests in perpetual trusts and contributions receivable from remainder trusts are irrevocable trusts held primarily at certain financial institutions. When observable prices are not available for the assets of these trusts, the Center uses one or more valuation techniques (e.g., the market approach, the income approach or the cost approach) for which sufficient and reliable data is available. Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future interest in the trusts.

5 Split Interest Agreements

The Arts Center's split-interest agreements with donors consist of charitable gift annuities, charitable remainder trusts, and beneficial interests in perpetual trusts.

The Arts Center is the beneficiary of several perpetual trusts held by third parties. Under these trusts, donors have established and funded perpetual trusts whereby the Arts Center has the irrevocable right to receive its interest in the income earned on perpetual trust assets. The corpus of the trusts will be maintained by a trustee in perpetuity. The Arts Center recorded its initial beneficial interest in these trusts at the fair value of trust assets. Fair value of the trust assets totaled \$19,910,539 and \$18,729,934 as of May 31, 2017 and 2016, respectively. Changes in fair value are presented as permanently restricted changes in value of split interest agreements and totaled \$1,180,605 and \$(1,140,135) for the years ended May 31, 2017 and 2016, respectively.

The Arts Center is also the beneficiary under several irrevocable charitable remainder trusts. These agreements have been established by donors whereby the Arts Center will receive the fair value of trust assets upon the termination of the trusts. Trust assets are maintained by third-party trustees. The Arts Center recorded these trusts at the present value of the estimated future benefit to be received, which totaled \$1,002,798 and \$905,909 as of May 31, 2017 and 2016, respectively. The change in value of the estimated future benefit to be received is the net of distributions received and the change in the trusts' fair values. These trusts are reported in permanently restricted net assets. Annual adjustments in the trusts' fair values are recorded in the consolidated statements of activities as changes in value of split interest agreements which totaled \$96,889 and \$15,496 for the years ended May 31, 2017 and 2016, respectively. Significant assumptions used in valuing these trusts are the discount rate under IRC Section 7520(a), ranging from 1.80% to 11.88%, and life expectancy of donors under IRS Publications 1457 Table R(2) and Table K, current ages ranging from 92 to 98 years.

Assets related to charitable gift annuities are recorded at their fair values when received and an annuity payment liability is recognized at the present value of future cash flows expected to be paid to the donor or other designee. At the time of the gift, the Arts Center recognizes contribution revenue in an amount equal to the difference between these two amounts. The gross fair value of the related assets is included in investments in the consolidated statements of financial position. A liability for annuity obligations is included in accounts payable and accrued expenses equal to the present value of benefits which are due to the donor. Discount rates and actuarial assumptions used to determine the liability are those contained in mortality tables published by the Internal Revenue Service and are typically based on factors such as applicable federal interest rates and donor life expectancies. The liabilities are adjusted annually for changes in the estimates of future benefits, and the changes in the value of these agreements are included in the consolidated statements of activities. The liability balance totaled \$364,926 and \$382,221 and the change in value was \$(53,317) and \$(10,862) as of and for the years ended May 31, 2017 and 2016, respectively.

6 Land, Buildings and Equipment

Land, buildings and equipment, net, consisted of the following:

May 31	2017	2016
Land	\$ 2,866,323	\$ 2,866,323
Buildings	214,424,512	214,425,376
Furniture, fixtures and equipment	24,224,475	23,468,738
Land improvements	254,053	254,053
Information systems	7,419,886	5,253,058
Leased Assets (See Note 16):		
Land	7,659,843	7,659,843
Buildings	46,909,516	46,826,424
Furniture, fixtures and equipment	2,043,918	2,061,964
	305,802,526	302,815,779
Accumulated depreciation and amortization	(127,781,225)	(121,018,698)
Accumulated depreciation and amortization - leased assets	(15,276,362)	(14,026,048)
Total land, buildings, and equipment, net	\$ 162,744,939	\$ 167,771,033

Property and equipment are stated at cost. Depreciation and amortization are provided over estimated useful lives using straight-line methods. Useful lives are as follows: building 40 years; landscape improvements 15 years; musical instruments, furniture, fixtures and equipment 5 to 10 years; vehicles 3 to 6 years and information systems 3 to 5 years.

Construction in progress is comprised of costs capitalized for renovations to the Arts Center campus. Construction in progress totaled \$7,878,422 and \$4,055,533 as of May 31, 2017 and 2016, respectively.

Depreciation and amortization expense was \$8,559,109 and \$9,329,445 for the years ended May 31, 2017 and 2016, respectively.

7 Lines of Credit

Lines of credit consisted of:

May 31	2017	2016
Uncollateralized line of credit with bank (interest rate of 2.19% at May 31, 2017, based on LIBOR rate plus 1.20%) maturing March 20, 2018. *	\$ 4,000,000	\$ 8,031,858
	\$ 4,000,000	\$ 8,031,858

* The Arts Center maintains a \$15,000,000 line of credit of which \$11,000,000 was available at May 31, 2017.

The Arts Center has another line of credit with a bank with a maximum available line of credit of \$14,000,000. The line of credit is a demand facility, accruing interest at a variable rate, with available borrowings based on 75% of the market value of the collateralized securities held at the bank. As of May 31, 2017 and 2016, there was no outstanding balance on the line of credit.

8 Bonds Payable

Bonds payable consisted of:

May 31	2017	2016
Development Authority of Fulton, Georgia; Series 2009A - Amended and Restated 2014 (variable interest rate of 1.67% at May 31, 2017, maturing in 2039) (A)	\$ 49,580,000	\$ 49,580,000
Development Authority of Fulton, Georgia; Series 2009B (fixed interest rate of 5.16% at May 31, 2017, maturing in 2024) (B)	60,425,000	60,425,000
Development Authority of Fulton, Georgia; Series 2015A (fixed interest rate of 3.50% to 5.00% at May 31, 2017, maturing in 2024 through 2036) (C)	40,075,000	40,075,000
Development Authority of Fulton, Georgia; Series 2015B (fixed interest rate of 1.84% to 3.78% at May 31, 2017, maturing 2017 through 2024) (D)	13,285,000	15,220,000
Total bonds payable at face value	163,365,000	165,300,000
Less unamortized discount	(331,586)	(349,215)
Less debt issuance costs	(1,166,064)	(1,335,527)
Plus unamortized bond issuance premium	5,520,492	6,055,153
Total bonds payable, net	\$ 167,387,842	\$ 169,670,411

(A) The Fulton County Series 2009A bonds dated September 24, 2009 issued through the Development Authority of Fulton County, Georgia have an original face value amount of \$65,000,000 and mature in 2039. On June 24, 2014, the Arts Center paid \$15,420,000 of principal. On December 22, 2014, the outstanding \$49,580,000 principal amount of the Bonds was subsequently converted to an interest rate mode that allowed for the Bonds to be purchased and to bear interest as follows; (i) the Applicable Percentage (67%) times the sum of Adjusted LIBOR plus the Applicable Spread (1.5%), times the Margin Rate Factor (1.0 during all times when the maximum federal corporate tax rate is 35%). The bonds are required to be repaid within 20 years, requiring annual redemption payments of \$5,000,000 in 2025 ending with a final payment of \$4,580,000 in 2034. The Fulton County Series 2009A bonds contain certain restrictive covenants. As of May 31, 2017, the Arts Center was in compliance with these covenants.

- (B) The Fulton County Series 2009B bonds dated September 24, 2009 issued through the Development Authority of Fulton County has an original face value of \$118,025,000. \$57,600,000 of these bonds were refinanced at maturity on March 15, 2016 through a bond issuance on December 30, 2015, including a tax exempt fixed rate issue Development Authority of Fulton County Revenue Bonds (Robert W. Woodruff Arts Center, Inc. Project) Series 2015A and taxable fixed rate issue Development Authority of Fulton County Taxable Revenue Bonds (Robert W. Woodruff Arts Center, Inc. Project) Series 2015B. The remaining \$60,425,000 of the bonds have a maturity of March 15, 2024 and bear interest at a fixed rate of 5.16%, payable semi-annually on March 15 and September 15 of each year.
- (C) The Fulton County Series 2015A bonds dated December 30, 2015 issued through the Development Authority of Fulton County, Georgia consist of four tranches with a combined original face value amount of \$40,075,000 and mature between 2024 and 2036. These bonds bear interest at a fixed rate between 3.50% and 5.00%.
- (D) The Fulton County Series 2015B bonds dated December 30, 2015 issued through the Development Authority of Fulton County have an original face value of \$15,220,000 and mature over a seven year period beginning in 2017. These bonds bear interest at a fixed rate between 1.84% and 3.78%. The interest is payable semi-annually on March 15 and September 15 of each year. The Arts Center paid \$1,935,000 on the 2015B bonds on March 15, 2017.

Bond Maturities are as follows for the years ending May 31:

2018	\$ 1,975,000
2019	2,015,000
2020	2,070,000
2021	2,130,000
2022	2,200,000
Thereafter	152,975,000
Total	<u>\$ 163,365,000</u>

A portion of the proceeds of each series of the fixed rate bonds was deposited with the Trustee to create a debt service reserve fund for the payment of principal and interest. The reserve requirement is defined as an amount equal to 5% of the original outstanding principal of the fixed rate bonds. At May 31, 2017, the balance in the debt service reserve fund was \$6,133,198.

The Fulton County Series 2009B bonds and Fulton County Series 2015A and 2015B bonds each contain covenants that require the Arts Center to meet certain financial ratios and restrict the Arts Center's ability to issue new debt. The Arts Center is in compliance with all debt covenants as of May 31, 2017.

Amortization of bond premiums, discounts and issuance costs is reported in the Consolidated Statements of Activities within interest expense.

9 Commitments and Contingencies

The Arts Center is subject to legal claims and other contingencies arising in the ordinary conduct of its affairs. The Arts Center accrues a liability for such claims or contingencies when a loss is probable and the amount of the liability can be estimated. Management of the Arts Center believes that the outcome of any such liabilities will not have a material adverse effect on the Arts Center's financial position.

The Arts Center has entered into several construction contracts amounting to approximately \$28,000,000 to complete various maintenance and renovation projects on its campus. At May 31, 2017, outstanding commitments related to these projects approximated \$21,800,000 that will be financed through various temporarily restricted net asset funds based on the work being performed.

The Arts Center and Encore Park for the Arts, Inc. (“EPA”) are parties to an Agreement which provides that funds, subject to certain defined offsets, be set aside each calendar year by the Arts Center for the purpose of raising funds for a Performing Arts Center (“PAC”). If EPA desired to raise funds to construct a PAC, the Arts Center has the ability to satisfy the obligation through May 31, 2017. The obligation will cease upon completion of fund raising efforts for the PAC sufficient to cover its design and development costs. The Agreement provides that if construction of the PAC is not commenced by 2023 and EPA is not prioritizing the development of the PAC, the Arts Center will transfer certain real property necessary for the location of the PAC, as reasonably determined by the Arts Center, which real property currently is owned by the Arts Center, to a newly created §501(c) (3) nonprofit Georgia corporation for the purpose of building the PAC. The Arts Center has retained the right of first opportunity to operate the PAC. As May 31, 2017, there has been no determination by EPA to raise funds or build a PAC on the real property referenced in the Agreement. The Agreement may be terminated, and the transactions contemplated may be abandoned by EPA and WAC, before 2023 by mutual written consent of both parties.

10 Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets were available for use for the following donor-imposed purposes:

May 31	2017	2016
Performance, exhibitions or related programs	\$ 91,183,356	\$ 73,943,839
Facilities related	36,944,810	17,709,481
Passage of time and other	4,309,089	3,802,964
Total	\$ 132,437,255	\$ 95,456,284

Permanently restricted net assets are comprised of the corpus of investments subject to donor imposed restrictions. Income from these investments may be expended to support the following activities:

May 31	2017	2016
General activity of the Arts Center and its divisions	\$ 169,452,742	\$ 166,297,906
Art acquisition	5,438,390	5,438,390
Performance, exhibitions or related programs	103,336,025	93,107,898
Total	\$ 278,227,157	\$ 264,844,194

11 Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by the occurrence of other events specified by donors or by the passage of time, as follows:

May 31	2017	2016
Performance, exhibitions or related programs	\$ 19,085,538	\$ 19,642,694
Facilities related	5,286,269	3,015,493
Passage of time and other	1,466,244	1,770,474
Total restrictions released	\$ 25,838,051	\$ 24,428,661

12 Functional Expenses

The costs of providing the various program and supporting services (operating, plant and endowment funds) have been summarized on a functional basis in the table below. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Year ended May 31, 2017	Atlanta Symphony Orchestra	Alliance Theatre Company	High Museum of Art	Woodruff Arts Center	Total
Program services	\$ 23,956,592	\$ 11,610,264	\$ 20,160,260	\$ 21,696,510	\$ 77,423,626
Supporting services:					
Management and general	2,067,277	1,651,604	3,101,630	7,437,313	14,257,824
Fundraising	634,281	1,360,676	3,069,238	2,992,794	8,056,989
Total expenses	\$ 26,658,150	\$ 14,622,544	\$ 26,331,128	\$ 32,126,617	\$ 99,738,439

Year ended May 31, 2016	Atlanta Symphony Orchestra	Alliance Theatre Company	High Museum of Art	Woodruff Arts Center	Total
Program services	\$ 31,803,613	\$ 10,146,089	\$ 22,194,176	\$ 20,527,411	\$ 84,671,289
Supporting services:					
Management and general	1,643,519	1,425,322	3,630,417	7,515,695	14,214,953
Fundraising	555,194	1,499,904	3,215,946	3,030,110	8,301,154
Total expenses	\$ 34,002,326	\$ 13,071,315	\$ 29,040,539	\$ 31,073,216	\$ 107,187,396

Program Services

The Atlanta Symphony Orchestra serves audiences across the nation by providing both musical performances and education. The Alliance Theatre serves both adults and children, producing theatre and education programming. The High Museum of Art serves audiences from across the Southeast region and around the world with its distinguished collections, dynamic schedule of special exhibitions, and engaging community-focused programming. The Woodruff Arts Center division's program services include the costs of maintaining operating facilities for divisions, and its management and general expenses include supporting services such as information services, accounting and personnel.

13 Spending Rate Policy

The Arts Center has a spending rate policy whereby a predetermined amount of unrestricted investment income from certain investments is established to fund current operations. The spending rate is meant to represent a reasonable return (dividends, interest and realized gains) on the fair value of the investments. The Arts Center applies this policy to the Woodruff Arts Center General, Symphony Division, Symphony Division Peavy, Symphony Division Creative Enhancement, Museum Division, Theatre Division, Theatre Division NEA and Arts for Learning general endowments.

The Board of Trustees has authorized a spending rate of up to 5% of a 20-quarter rolling average of the fair value of the Woodruff Arts Center General endowment investments. During the year ending May 31, 2017, the Board made the decision to reduce the spending rate to 4.75% between fiscal years 2018 and 2020.

The Arts Center has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act (the Act) as requiring the preservation of the purchasing power of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. However under the provisions of the act, the board of trustees may appropriate expenditures of an underwater endowment fund as is deemed prudent for the use and purposes for which an endowment fund is established. As a result of this interpretation, the Arts Center classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) 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. If the endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets' original gift value that excess is available for appropriation and, therefore, classified as temporarily restricted net assets until appropriated by the Arts Center for expenditure in accordance with donor instructions. In accordance with the Act, the Arts 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 Arts Center and the donor-restricted endowment fund
- (3) The expected total return from income and the appreciation of investments
- (4) Other resources of the Arts Center
- (5) The investment policies of the Arts Center
- (6) Possible effect of inflation or deflation
- (7) General economic conditions

Endowment Net Assets Composition by Type of Fund at May 31, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (1,978,332)	\$ 83,854,826	\$ 257,330,960	\$ 339,207,454
Board-designated funds	23,699,171	-	-	23,699,171
Total funds	\$ 21,720,839	\$ 83,854,826	\$ 257,330,960	\$ 362,906,625
Changes in Endowment Net Assets For the year ended May 31, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at May 31, 2016	\$ 14,223,804	\$ 63,582,770	\$ 245,179,585	\$ 322,986,159
Investment return:				
Investment income, net	183,556	3,058,808	-	3,242,364
Realized net losses and change in unrealized appreciation in fair value of investments	7,805,027	31,896,771	-	39,701,798
Total investment return	7,988,583	34,955,579	-	42,944,162
New gifts	508,217	-	6,670,033	7,178,250
Change in donor restriction	-	-	5,481,342	5,481,342
Appropriation of endowment assets for expenditure	(999,765)	(14,683,523)	-	(15,683,288)
Net assets, May 31, 2017	\$ 21,720,839	\$ 83,854,826	\$ 257,330,960	\$ 362,906,625

Endowment Net Assets Composition by Type of Fund at May 31, 2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (7,240,514)	\$ 63,582,770	\$ 245,179,585	\$ 301,521,841
Board-designated funds	21,464,318	-	-	21,464,318
Total funds	\$ 14,223,804	\$ 63,582,770	\$ 245,179,585	\$ 322,986,159

Changes in Endowment Net Assets For the year ended May 31, 2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at May 31, 2015	\$ 24,107,934	\$ 83,483,368	\$ 215,752,222	\$ 323,343,524
Investment return:				
Investment income, net	331,815	4,285,243	-	4,617,058
Realized net gains and change in unrealized depreciation in fair value of investments	(8,739,146)	(10,712,954)	-	(19,452,100)
Total investment return	(8,407,331)	(6,427,711)	-	(14,835,042)
New gifts	-	-	28,061,349	28,061,349
Change in donor restriction	-	-	1,101,000	1,101,000
Distribution from charitable remainder trust	-	-	265,014	265,014
Appropriation of endowment assets for expenditure	(1,476,799)	(13,472,887)	-	(14,949,686)
Net assets, May 31, 2016	\$ 14,223,804	\$ 63,582,770	\$ 245,179,585	\$ 322,986,159

Permanently restricted net assets disclosed above are only those from which endowment distributions are made and do not include net assets from the trusts.

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 Arts Center to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported as reduction of unrestricted net assets were \$1,978,332 and \$7,240,514 as of May 31, 2017 and 2016, respectively.

14 Pension Plans

Defined Benefit Plans

The Arts Center sponsors two defined benefit pension plans. The Pension Retirement Plan for the Contract Musicians of the Atlanta Symphony Orchestra (the ASO Musicians' Plan), initially established through negotiations with the Musicians Union in 1976, covers all musicians and provides benefits defined by the terms of the union contract.

In 1997, in accordance with a new musicians' union agreement, the ASO and members of the ASO Musicians' Plan agreed to freeze the normal retirement benefit to \$25,000 per participant annually. The ASO will continue to fund the Plan as necessary until all benefits accrued by participants are paid. The musicians became members of the American Federation of Musicians and Employers' Pension Plan (the AFofM Plan) as a result of this agreement. The ASO will make contributions to the AFofM Plan pursuant to the agreement reached with the musicians.

A second defined benefit plan, The Pension Retirement Plan for the Employees of the Robert W. Woodruff Arts Center, Inc. and Subsidiary (the Arts Center Plan), covers substantially all other employees who were employed prior to January 1, 2007, and not covered by the ASO Musicians Plan. The Arts Center Plan provides pension benefits that are based on the employees' compensation and service.

In 2007, The Board of Trustees of the Arts Center approved a plan to make changes to the Pension Retirement Plan for the Employees of the Robert W. Woodruff Arts Center, Inc. The Arts Center Plan was amended to stop participation in the defined benefit pension plan as of December 31, 2006. Any employee hired after December 31, 2006, is, upon achieving appropriate service time and age requirements, a participant in a defined contribution plan.

Prior service costs are amortized over the estimated average remaining service periods for the Arts Center plan. The Arts Center's policy is to fund the cost of benefits currently accruing and past service cost over periods not exceeding 30 years for the Arts Center Plan and 20 years for the ASO Musicians' Plan to the extent necessary to meet regulatory funding requirements.

The Board of Trustees of the Arts Center approved a plan to freeze the Arts Center Plan effective December 31, 2011 and, as a result, cease any future accrual of benefits for this plan. Existing, active participants of the Arts Center Plan participate in the defined contribution plan beginning January 1, 2012. The Board of Trustees has approved providing additional contributions to certain individuals who will be negatively impacted by the transition.

Obligations and Funded Status

The following table sets forth the changes in benefit obligations and the fair value of plan assets for the defined benefit plans:

For the years ending May 31	ASO Musicians' Plan		Arts Center	
	2017	2016	2017	2016
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 16,694,451	\$ 16,939,148	\$ 26,346,282	\$ 31,211,090
Service cost	80,000	80,000	290,000	190,000
Interest cost	597,362	658,129	994,177	1,299,285
Benefits paid	(806,593)	(830,212)	(1,246,720)	(1,074,163)
Actuarial (gain) loss	(356,307)	(152,614)	298,000	(197,091)
Settlements	-	-	-	(5,082,839)
Benefit obligation, end of year	\$ 16,208,913	\$ 16,694,451	\$ 26,681,739	\$ 26,346,282
Change in plan assets:				
Fair value of plan assets, beginning of year	\$ 11,641,768	\$ 13,200,448	\$ 14,488,966	\$ 21,335,015
Actual return on plan assets	634,673	(728,468)	824,533	(1,466,687)
Employer contributions	-	-	1,225,823	777,640
Benefits paid	(806,593)	(830,212)	(1,246,720)	(1,074,163)
Settlements	-	-	-	(5,082,839)
Fair value of plan assets, end of year	\$ 11,469,848	\$ 11,641,768	\$ 15,292,602	\$ 14,488,966

In 2016, certain eligible participants were offered a one-time opportunity for lump-sum settlement. This resulted in a reduction in plan assets of \$5,082,839. The settlement reduced the benefit obligation by \$6,215,385, of which \$1,163,366 is included net in the actuarial gain component of the change in benefit obligation above.

Funded Status

The funded status at the end of the year and the related amounts recognized on the statement of financial position follow:

As of and for the years ending May 31	ASO Musicians' Plan		Arts Center	
	2017	2016	2017	2016
Development of Balance Sheet Asset/(Liability)				
Projected benefit obligation (PBO)	\$ (16,208,913)	\$ (16,694,451)	\$ (26,681,739)	\$ (26,346,282)
Fair value of assets (FVA)	11,469,848	11,641,768	15,292,602	14,488,966
Net balance sheet asset/(liability)	\$ (4,739,065)	\$ (5,052,683)	\$ (11,389,137)	\$ (11,857,316)
Current and Noncurrent Allocation				
Noncurrent assets	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	-	-	-
Noncurrent liabilities	(4,739,065)	(5,052,683)	(11,389,137)	(11,857,316)
Net balance sheet asset/(liability)	\$ (4,739,065)	\$ (5,052,683)	\$ (11,389,137)	\$ (11,857,316)
Reconciliation of Net Balance Sheet Asset/(Liability)				
Net balance sheet asset/(liability) and end of prior year	\$ (5,052,683)	\$ (3,738,700)	\$ (11,857,316)	\$ (9,876,075)
Employer service cost	(80,000)	(80,000)	(290,000)	(190,000)
Interest cost	(597,362)	(658,129)	(994,177)	(1,299,285)
Expected return on assets	804,525	919,124	1,038,239	1,533,107
Actuarial gain (loss)	186,455	(1,494,978)	(511,706)	(2,802,703)
Employer contributions	-	-	1,225,823	777,640
Net balance sheet asset/(liability) and end of year	\$ (4,739,065)	\$ (5,052,683)	\$ (11,389,137)	\$ (11,857,316)

Total Net Periodic Benefit Cost (Benefit)

The components of net periodic benefit cost (benefit) are as follows:

For the years ending May 31	ASO Musicians' Plan		Arts Center	
	2017	2016	2017	2016
Total Benefit Cost				
Service cost	\$ 80,000	\$ 80,000	\$ 290,000	\$ 190,000
Interest cost	597,362	658,129	994,177	1,299,285
Expected return on plan assets	(804,525)	(919,124)	(1,038,239)	(1,533,107)
Subtotal	(127,163)	(180,995)	245,938	(43,822)
Net loss amortization	215,867	145,047	347,645	292,530
Net periodic benefit cost/(income)	88,704	(35,948)	593,583	248,708
Settlements	-	-	-	2,320,377
Disclosed benefit cost	\$ 88,704	\$ (35,948)	\$ 593,583	\$ 2,569,085

Cumulative amounts recognized as nonoperating changes in unrestricted net assets in the statement of activities:

For the years ending May 31	ASO Musicians' Plan		Arts Center	
	2017	2016	2017	2016
Components of benefit obligation that have not been recognized as periodic benefit cost:				
Net transition obligation/(asset)	\$ -	\$ -	\$ -	\$ -
Net prior service cost/(credit)	-	-	-	-
Net loss/(gain)	5,952,792	6,355,114	12,191,796	12,027,735
Cumulative amounts recognized as nonoperating changes in unrestricted net assets	\$ 5,952,792	\$ 6,355,114	\$ 12,191,796	\$ 12,027,735
Development of components of benefit obligation that have not been recognized as periodic benefit cost:				
Beginning balance	\$ 6,355,114	\$ 5,005,183	\$ 12,027,735	\$ 11,837,939
Less amounts amortized during the year				
Net prior service cost/(credit)	-	-	-	-
Net loss	215,867	145,047	347,645	292,530
Occurring during the year				
Net loss/(gain)	(186,455)	1,494,978	511,706	2,802,703
Settlement	-	-	-	(2,320,377)
Ending balance	\$ 5,952,792	\$ 6,355,114	\$ 12,191,796	\$ 12,027,735

The estimated net loss that will be amortized from changes in unrestricted net assets into net periodic pension cost for the year ended May 31, 2017 for the ASO Musicians' Plan and Arts Center Plan is \$215,867 and \$347,645, respectively.

Expected Cash Flows

Expected future employer contributions and benefits payments are as follows:

For the years ending May 31	ASO Musicians' Plan	Arts Center
Expected employer contributions:*		
2018	\$ -	\$ 1,005,705
Expected benefit payments:		
2018	1,076,212	1,331,589
2019	1,050,002	1,379,103
2020	1,026,176	1,402,164
2021	1,024,633	1,437,267
2022	1,024,678	1,455,925
2023 to 2027	4,893,812	7,619,926

* These amounts have been determined assuming there are no special events, plan amendments, assumption changes, or actuarial losses/(gains) during the upcoming fiscal year.

Assumptions

In determining the projected benefit obligation and the net pension cost (benefit), the following significant weighted-average assumptions were used:

May 31, 2017	ASO Musicians' Plan	Arts Center
Discount rate used for determining projected benefit obligation as of May 31, 2017	3.52%	3.65%
Discount rate used for determining projected benefit obligation as of May 31, 2016	3.70%	3.86%
Discount rate in effect for determining net periodic pension cost (benefit) for the year ended May 31, 2017	3.70%	3.86%
Discount rate in effect for determining net periodic pension cost (benefit) for the year ended May 31, 2016	4.01%	4.24%
Long-term expected rate of return on plan assets	7.25%	7.25%
Rate of future compensation increase	*	**

*Not applicable to the plan as benefits are defined under terms of the union contract and not salary related.

**Not applicable since the plan was frozen December 31, 2012.

The expected long term rates of return for the Plans are based on many factors that include, but are not limited to, historical returns on plan assets, current market information on long-term returns (e.g., long-term bond rates) and current and target asset allocations between asset categories.

Pension Plan Assets

The pension plan assets are invested according to the following asset allocation:

May 31,	ASO Musicians' Plan		Arts Center	
	2017	2016	2017	2016
Mutual Funds/ETFs	99%	99%	96%	99%
Cash Equivalents	1%	1%	4%	1%
Total	100%	100%	100%	100%

The Plans' assets are invested in a money market fund and several mutual funds representing different asset classes including public equity, government and corporate bonds, real estate, commodities and resource-related stocks. The principal investment objectives are to ensure the availability of funds to pay pension benefits as they become due under a broad range of future economic scenarios, to maximize long-term investment return with an acceptable level of risk based on pension obligations and to be broadly diversified across and within capital markets to insulate asset values against adverse experience in any one market.

ASO Musicians' Plan	Fair value measurements at May 31, 2017			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 83,284	\$ 83,284	\$ -	\$ -
Mutual funds	11,386,564	11,386,564	-	-
Total	\$ 11,469,848	\$ 11,469,848	\$ -	\$ -

Arts Center Employees' Plan	Fair value measurements at May 31, 2017			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 557,415	\$ 557,415	\$ -	\$ -
Mutual funds	14,735,187	14,735,187	-	-
Total	\$ 15,292,602	\$ 15,292,602	\$ -	\$ -

ASO Musicians' Plan	Fair value measurements at May 31, 2016			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 80,143	\$ 80,143	\$ -	\$ -
Mutual funds	11,561,625	11,561,625	-	-
Total	\$ 11,641,768	\$ 11,641,768	\$ -	\$ -

Arts Center Employees' Plan	Fair value measurements at May 31, 2016			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 187,625	\$ 187,625	\$ -	\$ -
Mutual funds	14,301,341	14,301,341	-	-
Total	\$ 14,488,966	\$ 14,488,966	\$ -	\$ -

Defined Contribution Benefit Plan

The Arts Center also sponsors a defined contribution pension plan that operates under Section 403(b) of the Internal Revenue Code.

The plan has two components. The first of these components is contributory in nature (i.e. requires the employee to make a contribution to the plan). Established in 1972, it was initially known as the Atlanta College of Art Defined Contribution Plan and participation was limited to certain employees of the Atlanta College of Art. Effective January 1, 2002, participation was extended to certain other eligible employees of the Arts Center. Currently eligible employees are all employees of the Arts Center, other than employees included in a unit covered by a collective bargaining agreement, who have completed one year of service, including an hours worked requirement, and attained 21 years of age. The Arts Center's policy in 2017 and 2016 is to match employee contributions to the Plan up to 6% of gross salary. In fiscal year 2015 and through January 31, 2016 contributions were matched at a rate of 50%. The plan was amended to increase the matching rate on contributions to 100% beginning on February 1, 2016.

The second component of the defined contribution plan is non-contributory in nature (i.e. all contributions are made by the employer). Eligibility requirements for this part of the plan are the same as those of the contributory component with the additional requirement that eligible employees were hired after December 31, 2006. Upon achieving the appropriate service time and age requirements, the Arts Center will contribute 4% of each participating employees' compensation into the plan depending on their hire dates, ages and lengths of service.

Upon freezing of the Arts Center Plan, participants of this plan became eligible for the non-contributory component of the defined contribution plan. The Arts Center will contribute an enhanced contribution ranging from .5% to 4.5% through 2026 in addition to the 4% of each participating employees' compensation into the plan depending on their hire dates, ages and lengths of service.

The non-contributory components of the defined contribution plan were removed on February 1, 2016 and replaced with the increased matching rate for the contributory component of the plan disclosed above.

Pension expense related to the Arts Center's defined contribution plan totaled \$852,222 and \$1,183,884 for years ended May 31, 2017 and 2016, respectively.

Multiemployer Plan

The Arts Center contributes to a multiemployer defined benefit pension plan, American Federation of Musicians' and Employers' Pension Plan (EIN 51-6120204, Plan 001), hereafter "AFofM Plan", under the terms of its collective bargaining agreement with union-represented musicians of its Atlanta Symphony Orchestra division.

The AFofM Plan is overseen by a board of trustees, consisting of members appointed by the union and employers contributing to the plan. The plan's trustees' responsibilities include determining the level of benefits provided to participants, the investment of plan assets, and the administration of the plan. The benefits provided by the AFofM Plan to the participating employees are based on a scale of benefits defined by each \$100 contributions and the time period in which those contributions were made to the plan. The Arts Center's contract covering the union-represented employees will expire September 8, 2018. The agreement specifies that the contributions to the AFofM Plan should be determined on the basis of 6.25% the employees' minimum weekly salary as defined by the collective bargaining agreement.

As of March 31, 2017, the AFofM Plan was underfunded, which was determined in accordance with Employer Retirement Income Security Act of 1974 calculations, with the actuarial value of its assets and liabilities totaling \$1,976,473,051 and \$2,866,450,348, respectively. On April 30, 2010, the Arts Center received a notice from the trustees of AFofM Plan stating that the plan is considered to be in critical status (as defined by the Pension Protection Act of 2006). The most recent notice was received on July 29, 2017 stated that the AFofM Plan remains in critical status for the plan year beginning April 1, 2017 and is projected to have an accumulated funding deficiency.

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, adjustable benefits as part of the rehabilitation plan. On April 30, 2010 the Arts Center also received notices of adoption of a rehabilitation plan and benefit changes from the AFofM Plan trustees.

The rehabilitation plan calls for additional employer contributions, changes in benefits and application to IRS for an automatic 5-year extension of amortization of unfunded liability. Employers by law are required to pay a surcharge to the plan that is based on contributions. The surcharges does not result in additional benefit accruals to the plan. Effective June 1, 2010 the surcharge was 5% of contributions. Effective June 1, 2011 the surcharge increased to 10% of contributions. Employers may avoid the surcharges by agreeing to increase the amount of the employer contributions to the plan as set forth in the rehabilitation plan. The rehabilitation plan increased the contribution rate by 4% for contributions earned on or after June 1, 2010, but before April 1, 2011. The contribution rate increased to 9% of contributions earned on April 1, 2011. The Arts Center adopted the increased employer contributions, thereby avoiding surcharges that would otherwise be applicable.

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Arts Center chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

In 2016, the Arts Center's contribution to the AFofM Plan was less than 1% of total contributions to the Plan. Participants in the AFofM Plan are covered by the Pension Benefit Guaranty Corp Insurance which provides financial assistance to the plans which continue to pay retirees should the plan sponsors be unable to fund the plan. For the years ended May 31, 2017 and 2016, total contributions to AFofM Plan were \$421,803 and \$474,678, respectively. As of May 31, 2017, the Arts Center expects its contributions to AFofM Plan for the year ending May 31, 2018 to be approximately \$481,000.

15 Interest Rate Swap Agreement

The Arts Center utilizes interest rate swaps to manage interest rate market exposure of the underlying debt. Interest rate swaps generally involve the exchange of fixed and floating rate interest payment obligations without the exchange of underlying principal amounts. The Arts Center entered into a swap agreement with a financial institution effective October 25, 2002, which terminates on February 1, 2023. Under the terms of the swap agreement, the Arts Center will pay the financial institution a fixed rate of 4.56% on the contractual notional amount. The financial institution will pay the Arts Center a variable rate based on the benchmark of the Securities Industry and Financial Markets Association Municipal Swap Index, formerly the Bond Market Association Municipal Swap Index, (0.76% at May 31, 2017 and 0.40% at May 31, 2016). At inception, the swap agreement had a contractual notional amount of \$30,000,000. The notional amount is used to express the volume of this transaction; however, it does not represent cash flows.

At May 31, 2016, the Arts Center had approximately \$1.9 million included within cash and cash equivalents on the consolidated statement of financial position which represents collateral as specified under the swap agreement. At May 31, 2017, there was no collateral required by the financial institution.

16 Leasing Arrangements

Operating Leases

The Arts Center has two noncancelable operating leases with third parties to lease facilities owned by the Arts Center. The remaining lease terms range from 16 to 19 years. Under the terms of the agreements, the Arts Center recognizes rent revenues straight line over the course of the leases. The difference is a deferred asset included in pledges and other receivables as described in Note 2.

The following is a schedule by years of expected minimum future rental payments to be received under operating leases as of May 31, 2017:

For the year ending May 31:	Amount
2018	\$ 2,986,711
2019	2,986,711
2020	3,806,971
2021	3,757,156
2022	3,762,695
Thereafter	46,892,374
Total	<u>\$ 64,192,618</u>

Sales Type Lease

During 2016, the Arts Center relinquished its interest in a Joint Venture and entered into a sales type lease arrangement with its former Joint Venture partner. The lease term is 20 years and the balance of minimum lease payments and unearned income (present-valued interest component) decrease by the interest method using an implicit borrowing rate. Management has evaluated the financial condition of the lessee and has determined the investment in sales type lease to be fully collectible. Accordingly, no allowance for doubtful accounts is recorded as of May 31, 2017. The following is a schedule of the net investment in the sales type lease as of May 31, 2017:

Total minimum lease payments to be received	\$ 10,066,980
Less: unearned income	4,562,650
Net Investment in sales type lease	\$ 5,504,330

The investment in the sales type lease is included in pledges and other receivables, net (see Note 2) in the Consolidated Statements of Financial Position.

The following is a schedule by years of expected minimum future rental payments to be received under the sales type lease as of May 31, 2017:

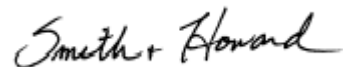
For the year ending May 31:	Amount
2018	\$ 500,000
2019	500,000
2020	500,000
2021	510,417
2022	525,000
Thereafter	7,531,563
Total	\$ 10,066,980

Supplementary information

Independent Auditors' Report on Supplementary Information

**To the Board of Trustees of
Robert W. Woodruff Arts Center, Inc. and Subsidiary:**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information as of and for the years ended May 31, 2017 and 2016 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Atlanta, Georgia
November 3, 2017

Schedules of financial position and of activities information – Endowment funds and split interest agreements*

May 31, 2017	Total	Symphony Division Endowment	Symphony Division Peevy Endowment	Symphony Division Creative Enhancement	Symphony Division AYSO Chair	Symphony Division Troutman/ Encore Youth Education Endowment	Symphony Division Azira Hill Scholarship Endowment	Symphony Division Livingston Christmas
Schedules of financial position information:								
Investments	\$ 344,805,137	\$ 52,947,729	\$ 634,919	\$ 2,294,397	\$ 8,790,874	\$ 2,165	\$ 1,327,218	\$ 1,725,151
Pledges and other receivables, net	12,885,859	-	-	-	-	-	-	-
Prepaid Expenses	5,840	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	1,002,798	141,105	-	-	-	-	-	-
Beneficial interest in perpetual trusts	19,910,539	-	-	-	-	-	-	-
Due from (to) other funds	5,421,276	99	-	-	-	-	(45,248)	-
Total assets	\$ 384,031,449	\$ 53,088,933	\$ 634,919	\$ 2,294,397	\$ 8,790,874	\$ 2,165	\$ 1,281,970	\$ 1,725,151
Liabilities and net assets:								
Charitable gift liability	\$ 288,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-	-
Total liabilities	\$ 288,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:								
Net assets at beginning of year	\$ 342,517,071	\$ 48,734,217	\$ 581,572	\$ 2,098,150	\$ 7,794,615	\$ 1,877	\$ 1,118,686	\$ 1,577,399
Contributions and changes in value of split interest agreements	13,748,742	39,609	-	-	-	-	405	-
Transfers from (to) operating/plant	(167,700)	-	-	-	-	-	35,580	-
Dividends, interest and other income	3,246,752	467,915	4,915	17,946	65,898	18	11,074	13,533
Net realized and unrealized gains (losses) on investments	39,765,962	6,748,713	80,164	289,719	1,231,221	270	161,472	217,900
Distributions to operating funds	(14,634,691)	(2,901,521)	(31,732)	(111,418)	(298,945)	-	(45,247)	(83,681)
Expenditures	(732,702)	-	-	-	(1,915)	-	-	-
Increase (decrease) in net assets	41,226,363	4,354,716	53,347	196,247	996,259	288	163,284	147,752
Net assets at end of year	383,743,434	53,088,933	634,919	2,294,397	8,790,874	2,165	1,281,970	1,725,151
Total liabilities and net assets	\$ 384,031,449	\$ 53,088,933	\$ 634,919	\$ 2,294,397	\$ 8,790,874	\$ 2,165	\$ 1,281,970	\$ 1,725,151

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information.

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Symphony Division William L. Pulgram Gift Annuity	Symphony Division Martin H. Sauser Gift Annuity	Symphony Division Dr. & Mrs. B.H. Palay Gift Annuity	Symphony Division Jane Little Gift Annuity	Symphony Division Mable Dorn Reeder Honorary Chair Endowment	ASO Board Stabilization Fund	Symphony Division Florance Kopleff Endowment
Schedules of financial position information:							
Investments	\$ 1,974	\$ 19,406	\$ 40,500	\$ 36,954	\$ 2,051,921	\$ -	\$ 270,782
Pledges and other receivables, net	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	(353)	(463)	(870)	-	-	821,638	-
Total assets	\$ 1,621	\$ 18,943	\$ 39,630	\$ 36,954	\$ 2,051,921	\$ 821,638	\$ 270,782
Liabilities and net assets:							
Charitable gift liability	\$ 3,949	\$ 8,370	\$ 22,910	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ 3,949	\$ 8,370	\$ 22,910	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ (1,578)	\$ 8,949	\$ 12,428	\$ 12,318	\$ 1,854,695	\$ 521,638	\$ 234,909
Contributions and changes in value of split interest agreements	(1,078)	(1,131)	(1,424)	19,541	-	-	-
Transfers from (to) operating/plant	-	-	-	-	-	300,000	-
Dividends, interest and other income	23	179	371	329	17,138	-	2,287
Net realized and unrealized gains (losses) on investments	305	2,576	5,345	4,766	259,382	-	33,586
Distributions to operating funds	-	-	-	-	(79,294)	-	-
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	(750)	1,624	4,292	24,636	197,226	300,000	35,873
Net assets at end of year	(2,328)	10,573	16,720	36,954	2,051,921	821,638	270,782
Total liabilities and net assets	\$ 1,621	\$ 18,943	\$ 39,630	\$ 36,954	\$ 2,051,921	\$ 821,638	\$ 270,782

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	ASO Musician's Endowment	Gable Principle Harp Fund	Katz Musician's Endowment	Fuller Musician's Endowment	Kendeda Principle Oboe Chair	Connie & Merrell Calhoun	Lucy & Gary Lee
Schedules of financial position information:							
Investments	\$ 1,568,637	\$ 2,047,948	\$ 1,915,494	\$ 2,581,269	\$ 2,272,203	\$ 1,792,630	\$ 1,694,166
Pledges and other receivables, net	82,568	387,681	657,232	-	-	-	322,045
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	224,871	31,116	(61,429)	19,077	(101,224)	332,000	100,000
Total assets	\$ 1,876,076	\$ 2,466,745	\$ 2,511,297	\$ 2,600,346	\$ 2,170,979	\$ 2,124,630	\$ 2,116,211
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 756,984	\$ 2,234,653	\$ 2,304,838	\$ 1,962,708	\$ 1,989,437	\$ 1,974,020	\$ 1,972,107
Contributions and changes in value of split interest agreements	996,271	17,213	19,074	-	-	17,481	47,293
Transfers from (to) operating/plant	-	-	-	401,000	-	-	-
Dividends, interest and other income	11,480	22,116	19,535	21,102	18,580	12,744	11,783
Net realized and unrealized gains (losses) on investments	134,891	261,648	229,280	297,684	264,186	187,086	175,361
Distributions to operating funds	(23,550)	(68,885)	(61,430)	(82,148)	(101,224)	(66,701)	(50,000)
Expenditures	-	-	-	-	-	-	(40,333)
Increase (decrease) in net assets	1,119,092	232,092	206,459	637,638	181,542	150,610	144,104
Net assets at end of year	1,876,076	2,466,745	2,511,297	2,600,346	2,170,979	2,124,630	2,116,211
Total liabilities and net assets	\$ 1,876,076	\$ 2,466,745	\$ 2,511,297	\$ 2,600,346	\$ 2,170,979	\$ 2,124,630	\$ 2,116,211

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Terence Neal Principle Trombone	Brad C Musician's Endowment	Imlay Musician's Endowment	Jane Little Musician's Endowment	Musician's Endowment	Jackson Musician's Endowment	Cora Miller Musician's Endowment
Schedules of financial position information:							
Investments	\$ 1,789,047	\$ -	\$ 222,360	\$ 5,372	\$ 147,436	\$ 217,032	\$ 630,599
Pledges and other receivables, net	791,280	-	-	25	63,986	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	(57,374)	-	(9,448)	(75)	(4,728)	(6,960)	-
Total assets	\$ 2,522,953	\$ -	\$ 212,912	\$ 5,322	\$ 206,694	\$ 210,072	\$ 630,599
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 2,403,298	\$ 401,000	\$ 200,000	\$ 4,253	\$ 196,546	\$ 190,604	\$ 554,156
Contributions and changes in value of split interest agreements	8,080	-	-	700	773	-	-
Transfers from (to) operating/plant	-	(401,000)	-	-	-	-	-
Dividends, interest and other income	9,879	-	1,527	33	830	1,695	4,944
Net realized and unrealized gains (losses) on investments	159,070	-	18,439	511	13,273	24,733	71,499
Distributions to operating funds	(57,374)	-	(7,054)	(175)	(4,728)	(6,960)	-
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	119,655	(401,000)	12,912	1,069	10,148	19,468	76,443
Net assets at end of year	2,522,953	-	212,912	5,322	206,694	210,072	630,599
Total liabilities and net assets	\$ 2,522,953	\$ -	\$ 212,912	\$ 5,322	\$ 206,694	\$ 210,072	\$ 630,599

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.
See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Reid Musician's Endowment	Symphony Division Board Endowment	BG Holland Musicians' Endowment	Wells Fargo First Violin Chair Endowment	Carolyn McClatchey Chair Endowment	Solon & Marianna Patterson Chair Endowment	Antinori Musicians' Endowment
Schedules of financial position information:							
Investments	\$ 220,280	\$ -	\$ 2,161,035	\$ 648,313	\$ 432,525	\$ 40,277	\$ 207,078
Pledges and other receivables, net	-	-	-	-	-	408,511	-
Prepaid Expenses	-	5,840	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	40,630	513,565	(69,304)	(20,791)	(13,871)	20,941	(102,701)
Total assets	\$ 260,910	\$ 519,405	\$ 2,091,731	\$ 627,522	\$ 418,654	\$ 469,729	\$ 104,377
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 238,742	\$ 966,925	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and changes in value of split interest agreements	1,858	-	2,005,000	601,500	401,057	468,174	99,841
Transfers from (to) operating/plant	-	(350,000)	-	-	-	-	-
Dividends, interest and other income	1,698	-	14,279	4,284	2,672	30	156
Net realized and unrealized gains (losses) on investments	27,257	-	141,755	42,529	28,795	1,525	7,839
Distributions to operating funds	(8,645)	-	(69,303)	(20,791)	(13,870)	-	(3,459)
Expenditures	-	(97,520)	-	-	-	-	-
Increase (decrease) in net assets	22,168	(447,520)	2,091,731	627,522	418,654	469,729	104,377
Net assets at end of year	260,910	519,405	2,091,731	627,522	418,654	469,729	104,377
Total liabilities and net assets	\$ 260,910	\$ 519,405	\$ 2,091,731	\$ 627,522	\$ 418,654	\$ 469,729	\$ 104,377

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

	UPS Foundation Cello Chair Endowment		Carlos Foundation Musicians' Endowment	John & Miriam Connant Principle Cello Endowment	Warren Endowment	Adams Musicians' Endowment	Delta Airlines Musicians' Endowment	Symphony Division Goizueta Foundation Outreach Youth Education Endowment
May 31, 2017								
Schedules of financial position information:								
Investments	\$ 865,050	\$ 432,402	\$ 251,713	\$ -	\$ -	\$ -	\$ -	\$ 633,558
Pledges and other receivables, net	-	-	-	-	-	479,374	2,438,608	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-	-
Due from (to) other funds	(27,742)	(13,867)	(8,073)	22,413	-	-	-	-
Total assets	\$ 837,308	\$ 418,535	\$ 243,640	\$ 22,413	\$ 479,374	\$ 2,438,608	\$ 633,558	
Liabilities and net assets:								
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:								
Net assets at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,952
Contributions and changes in value of split interest agreements	802,114	401,057	241,995	22,413	479,374	2,438,608	-	-
Transfers from (to) operating/plant	-	-	-	-	-	-	-	-
Dividends, interest and other income	5,346	2,613	190	-	-	-	-	5,271
Net realized and unrealized gains (losses) on investments	57,590	28,732	9,528	-	-	-	-	80,610
Distributions to operating funds	(27,742)	(13,867)	(8,073)	-	-	-	-	(30,275)
Expenditures	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	837,308	418,535	243,640	22,413	479,374	2,438,608	55,606	
Net assets at end of year	837,308	418,535	243,640	22,413	479,374	2,438,608	633,558	
Total liabilities and net assets	\$ 837,308	\$ 418,535	\$ 243,640	\$ 22,413	\$ 479,374	\$ 2,438,608	\$ 633,558	

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

	Symphony Division Asst. Principal Percussion Chair in Memory of William H. Schwartz Endowment		BellSouth Musicians' Endowment	Kendeda Stage Fund	Theatre Division Endowment	Theatre Division Hesler Award	Theatre Division NEA Endowment	Theatre Division Goizueta Foundation Education Endowment						
May 31, 2017														
Schedules of financial position information:														
Investments	\$	315,938	\$	394,496	\$	3,208,167	\$	2,013,884	\$	64,062	\$	5,006,921	\$	1,214,567
Pledges and other receivables, net		-		-		3,000,000		44,213		-		-		-
Prepaid Expenses		-		-		-		-		-		-		-
Contributions receivable from remainder trusts		-		-		-		-		-		-		-
Beneficial interest in perpetual trusts		-		-		-		-		-		-		-
Due from (to) other funds		-		(12,651)		-		16,743		-		-		-
Total assets	\$	315,938	\$	381,845	\$	6,208,167	\$	2,074,840	\$	64,062	\$	5,006,921	\$	1,214,567
Liabilities and net assets:														
Charitable gift liability	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Deferred Revenue		-		-		-		-		-		-		-
Total liabilities	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Schedules of activities information:														
Net assets at beginning of year	\$	282,864	\$	-	\$	5,961,119	\$	1,499,089	\$	55,520	\$	4,560,068	\$	1,105,161
Contributions and changes in value of split interest agreements		-		365,795		-		428,633		-		-		-
Transfers from (to) operating/plant		-		-		-		-		-		-		-
Dividends, interest and other income		2,694		2,438		26,110		13,413		549		47,360		10,228
Net realized and unrealized gains (losses) on investments		39,832		26,263		370,938		211,245		7,993		640,090		154,211
Distributions to operating funds		(9,452)		(12,651)		(150,000)		(77,540)		-		(240,597)		(55,033)
Expenditures		-		-		-		-		-		-		-
Increase (decrease) in net assets		33,074		381,845		247,048		575,751		8,542		446,853		109,406
Net assets at end of year		315,938		381,845		6,208,167		2,074,840		64,062		5,006,921		1,214,567
Total liabilities and net assets	\$	315,938	\$	381,845	\$	6,208,167	\$	2,074,840	\$	64,062	\$	5,006,921	\$	1,214,567

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Theatre Palefsky Collision Endowment	Theatre Division Studio Endowment	Theatre Division Kenny Leon Artistic Fellow Endowment	Theatre Division 40th Anniversary Endowment	Theatre Reiser Artist Lab Endowment	Theatre Division Education Endowment	Theatre Division NEA Cash Reserve
Schedules of financial position information:							
Investments	\$ 355,505	\$ 662,108	\$ 59,043	\$ 1,118,663	\$ 824,503	\$ 51,855	\$ 209,914
Pledges and other receivables, net	137,867	-	-	-	112,972	45,000	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	25,000	-	-	-	70,000	-	259,305
Total assets	\$ 518,372	\$ 662,108	\$ 59,043	\$ 1,118,663	\$ 1,007,475	\$ 96,855	\$ 469,219
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 468,594	\$ 605,316	\$ 51,169	\$ 1,020,973	\$ 935,617	\$ 90,000	\$ 441,275
Contributions and changes in value of split interest agreements	3,822	-	-	-	7,076	-	-
Transfers from (to) operating/plant	-	-	-	-	-	-	-
Dividends, interest and other income	2,992	5,222	505	9,179	6,612	379	1,816
Net realized and unrealized gains (losses) on investments	42,964	83,680	7,369	141,918	93,273	6,476	26,128
Distributions to operating funds	-	(32,110)	-	(53,407)	(35,103)	-	-
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	49,778	56,792	7,874	97,690	71,858	6,855	27,944
Net assets at end of year	518,372	662,108	59,043	1,118,663	1,007,475	96,855	469,219
Total liabilities and net assets	\$ 518,372	\$ 662,108	\$ 59,043	\$ 1,118,663	\$ 1,007,475	\$ 96,855	\$ 469,219

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Bernhard Theatre for The Very Young	Dan Reardon Endowmnet	Patty & Doug Reid Endowment	Carla & Leonard Wood Endowment	Howard Feinsand Endowment	Rich Foundation Endowment	Hendry County Arts Education Endowment
Schedules of financial position information:							
Investments	\$ 723,597	\$ 741,772	\$ 895,562	\$ 1,518,981	\$ 150,348	\$ 938,123	\$ 104,016
Pledges and other receivables, net	298,612	271,735	88,342	306,264	-	153,178	69,487
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	(20,000)	-	100,000	333,333	66,667	-	25,000
Total assets	\$ 1,002,209	\$ 1,013,507	\$ 1,083,904	\$ 2,158,578	\$ 217,015	\$ 1,091,301	\$ 198,503
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 936,250	\$ 910,766	\$ 978,902	\$ 1,970,368	\$ 195,241	\$ 977,407	\$ -
Contributions and changes in value of split interest agreements	5,882	4,837	9,440	20,516	4,759	9,771	194,487
Transfers from (to) operating/plant	-	-	-	-	-	-	-
Dividends, interest and other income	5,505	7,263	5,084	11,867	1,071	6,549	78
Net realized and unrealized gains (losses) on investments	79,572	90,641	90,478	155,827	15,944	97,574	3,938
Distributions to operating funds	(25,000)	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	65,959	102,741	105,002	188,210	21,774	113,894	198,503
Net assets at end of year	1,002,209	1,013,507	1,083,904	2,158,578	217,015	1,091,301	198,503
Total liabilities and net assets	\$ 1,002,209	\$ 1,013,507	\$ 1,083,904	\$ 2,158,578	\$ 217,015	\$ 1,091,301	\$ 198,503

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.
See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

	Theatre Division Goizueta		Museum Division		Museum Division		Museum Division	
	Solon & Marianna Patterson Endowment	Foundation Institute for Education Endowment	Museum Division Endowment	Decorative Arts Endowment	Museum Division Family Chair Endowment	Museum Division Bunzl Endowment	Walter Clay Hill Auditorium Endowment	Museum Division Anonymous Exhibition Endowment
May 31, 2017								
Schedules of financial position information:								
Investments	\$ 337,610	\$ 623,662	\$ 23,401,267	\$ 1,441,541	\$ 1,794,147	\$ 1,175,820	\$ 4,076,712	
Pledges and other receivables, net	127,703	-	116,436	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	861,693	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	19,749,067	-	-	-	-	-
Due from (to) other funds	29,335	-	442,061	-	-	-	-	-
Total assets	\$ 494,648	\$ 623,662	\$ 44,570,524	\$ 1,441,541	\$ 1,794,147	\$ 1,175,820	\$ 4,076,712	
Liabilities and net assets:								
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:								
Net assets at beginning of year	\$ -	\$ 569,114	\$ 41,244,298	\$ 1,315,184	\$ 1,639,524	\$ 1,073,828	\$ 3,723,339	
Contributions and changes in value of split interest agreements	481,614	-	1,246,708	-	-	-	-	-
Transfers from (to) operating/plant	-	-	668	(69,019)	-	-	-	-
Dividends, interest and other income	254	5,208	210,157	12,486	14,138	9,417	32,652	
Net realized and unrealized gains (losses) on investments	12,780	79,405	3,020,273	182,890	226,626	148,772	515,909	
Distributions to operating funds	-	(30,065)	(1,053,314)	-	(86,141)	(56,197)	(195,188)	
Expenditures	-	-	(98,266)	-	-	-	-	
Increase (decrease) in net assets	494,648	54,548	3,326,226	126,357	154,623	101,992	353,373	
Net assets at end of year	494,648	623,662	44,570,524	1,441,541	1,794,147	1,175,820	4,076,712	
Total liabilities and net assets	\$ 494,648	\$ 623,662	\$ 44,570,524	\$ 1,441,541	\$ 1,794,147	\$ 1,175,820	\$ 4,076,712	

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

	Museum Division Crawford Collection Endowment	Museum Division Alfred & Adel Davis Exhibition Endowment	Museum Division Laura Hill Boland Endowment	Museum Division Dorothy Smith Hopkins Exhibition Endowment	Museum Division Anonymous Curatorial Chair for Decorative Arts Endowment	Museum Division Nancy & Holcombe T. Green, JR. Director's Chair Endowment	Museum Division Livingston Children's Fund Endowment
May 31, 2017							
Schedules of financial position information:							
Investments	\$ 271,828	\$ 2,879,783	\$ 681,718	\$ 3,568,147	\$ 2,396,875	\$ 3,015,597	\$ 747,912
Pledges and other receivables, net	-	-	-	-	-	529,809	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	-	-	-	-	-	-	-
Total assets	\$ 271,828	\$ 2,879,783	\$ 681,718	\$ 3,568,147	\$ 2,396,875	\$ 3,545,406	\$ 747,912
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 236,190	\$ 2,630,018	\$ 622,923	\$ 3,258,728	\$ 2,190,161	\$ 3,439,268	\$ 703,886
Contributions and changes in value of split interest agreements	-	-	-	-	-	-	-
Transfers from (to) operating/plant	-	-	-	-	-	-	-
Dividends, interest and other income	2,099	23,066	5,381	28,578	18,919	24,651	5,700
Net realized and unrealized gains (losses) on investments	33,539	364,383	86,118	451,484	302,783	378,638	99,149
Distributions to operating funds	-	(137,684)	(32,704)	(170,643)	(114,988)	(97,151)	(60,823)
Expenditures	-	-	-	-	-	(200,000)	-
Increase (decrease) in net assets	35,638	249,765	58,795	309,419	206,714	106,138	44,026
Net assets at end of year	271,828	2,879,783	681,718	3,568,147	2,396,875	3,545,406	747,912
Total liabilities and net assets	\$ 271,828	\$ 2,879,783	\$ 681,718	\$ 3,568,147	\$ 2,396,875	\$ 3,545,406	\$ 747,912

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

	Museum Enhancement Endowment	Museum Division General Exhibition Endowment	Museum Division Nita & J. Mack Robinson Atrium Endowment	Museum Division Eleanor McDonald Storza Chair of Education Endowment	Museum Division General Exhibition Endowment	Museum Division Richman Family Foundation Curator of African Art Endowment	Museum Division Goizueta Foundation - Teacher Institute for Visual Arts & Learning Endowment
May 31, 2017							
Schedules of financial position information:							
Investments	\$ -	\$ 2,465,078	\$ 3,531,430	\$ 2,781,327	\$ 4,849,773	\$ 1,783,696	\$ 1,868,205
Pledges and other receivables, net	-	-	-	-	-	94,510	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	806,453	-	-	-	-	-	-
Total assets	\$ 806,453	\$ 2,465,078	\$ 3,531,430	\$ 2,781,327	\$ 4,849,773	\$ 1,878,206	\$ 1,868,205
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 600,000	\$ 2,251,307	\$ 3,223,777	\$ 2,539,250	\$ 4,422,868	\$ 1,716,652	\$ 1,707,022
Contributions and changes in value of split interest agreements	-	-	-	-	-	-	-
Transfers from (to) operating/plant	206,453	-	-	-	5,778	-	-
Dividends, interest and other income	-	19,734	28,443	22,506	39,194	13,847	14,761
Net realized and unrealized gains (losses) on investments	-	311,872	447,067	352,360	613,899	218,593	236,024
Distributions to operating funds	-	(117,835)	(167,857)	(132,789)	(231,966)	(70,886)	(89,602)
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	206,453	213,771	307,653	242,077	426,905	161,554	161,183
Net assets at end of year	806,453	2,465,078	3,531,430	2,781,327	4,849,773	1,878,206	1,868,205
Total liabilities and net assets	\$ 806,453	\$ 2,465,078	\$ 3,531,430	\$ 2,781,327	\$ 4,849,773	\$ 1,878,206	\$ 1,868,205

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Museum Division Richman African Art Endowment	Museum Division Wieland Family Curator of Modern & Contemporary Art Endowment	Museum Division David C. Driskell African American Art Acquisition Endowment	Museum Division Keneda Art Access Endowment	Museum Division M & L Shapiro Acquisitions Endowment	Museum Division Harriet & Edus Warren Gallery Endowment	Museum Division Greene Family Learning Gallery Endowment
Schedules of financial position information:							
Investments	\$ 1,024,373	\$ 1,113,176	\$ 1,082,871	\$ 3,118,627	\$ 687,413	\$ 1,325,612	\$ 2,248,636
Pledges and other receivables, net	-	-	-	-	60,000	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	-	-	50,000	-	-	-	-
Total assets	\$ 1,024,373	\$ 1,113,176	\$ 1,132,871	\$ 3,118,627	\$ 747,413	\$ 1,325,612	\$ 2,248,636
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 935,332	\$ 1,013,141	\$ 981,747	\$ 2,839,776	\$ 711,967	\$ 1,207,103	\$ 2,053,096
Contributions and changes in value of split interest agreements	-	-	50,000	-	-	-	-
Transfers from (to) operating/plant	(48,817)	-	(43,967)	-	(29,491)	-	-
Dividends, interest and other income	8,617	9,222	9,241	25,873	5,503	11,053	18,096
Net realized and unrealized gains (losses) on investments	129,241	141,128	135,850	395,729	79,434	156,312	259,553
Distributions to operating funds	-	(50,315)	-	(142,751)	-	(48,856)	(82,109)
Expenditures	-	-	-	-	(20,000)	-	-
Increase (decrease) in net assets	89,041	100,035	151,124	278,851	35,446	118,509	195,540
Net assets at end of year	1,024,373	1,113,176	1,132,871	3,118,627	747,413	1,325,612	2,248,636
Total liabilities and net assets	\$ 1,024,373	\$ 1,113,176	\$ 1,132,871	\$ 3,118,627	\$ 747,413	\$ 1,325,612	\$ 2,248,636

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Cooper & Mukharji Workshop Endowment	Free Days at the High Endowment	D Keough & Keough Family Endowments	Griffith Collection Care Endowment	Museum Division Elson Contemporary Glass Endowment	Museum Division Expansion Endowment	Museum Division Margaret & Terry Stent Curatorial Chair for American Art Endowment
Schedules of financial position information:							
Investments	\$ 226,452	\$ 1,821,559	\$ 1,981,394	\$ 447,789	\$ 294,324	\$ 1,588,776	\$ 1,438,378
Pledges and other receivables, net	39,230	266,988	-	168,301	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	-	-	-	-	-	-	-
Total assets	\$ 265,682	\$ 2,088,547	\$ 1,981,394	\$ 616,090	\$ 294,324	\$ 1,588,776	\$ 1,438,378
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 244,857	\$ 1,943,455	\$ 1,809,033	\$ 587,412	\$ 268,379	\$ 1,444,969	\$ 1,314,651
Contributions and changes in value of split interest agreements	1,642	16,892	-	886	-	-	-
Transfers from (to) operating/plant	-	-	-	-	(13,931)	-	-
Dividends, interest and other income	1,503	10,781	15,606	3,291	2,546	13,417	11,311
Net realized and unrealized gains (losses) on investments	22,680	157,419	228,315	48,501	37,330	201,707	181,644
Distributions to operating funds	(5,000)	(40,000)	(71,560)	(24,000)	-	(71,317)	(69,228)
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	20,825	145,092	172,361	28,678	25,945	143,807	123,727
Net assets at end of year	265,682	2,088,547	1,981,394	616,090	294,324	1,588,776	1,438,378
Total liabilities and net assets	\$ 265,682	\$ 2,088,547	\$ 1,981,394	\$ 616,090	\$ 294,324	\$ 1,588,776	\$ 1,438,378

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Museum Division Margaret & Terry Stent Permanent Collection for American Art Endowment	Museum Division William L. Pulgram Gift Annuity	Museum Division Ruth T. Healy Gift Annuity	Conversations with Contemporary Artists Endowment	Walter C Hill Endowment	Museum Division Gudmund Vigtel Fund for Works on Paper Endowment
Schedules of financial position information:						
Investments	\$ 363,976	\$ 1,920,035	\$ 1,897	\$ 16,513	\$ 218,966	\$ -
Pledges and other receivables, net	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-
Due from (to) other funds	-	-	(353)	(463)	1,205,307	-
Total assets	\$ 363,976	\$ 1,920,035	\$ 1,544	\$ 16,050	\$ 218,966	\$ 1,205,307
Liabilities and net assets:						
Charitable gift liability	\$ -	\$ -	\$ 3,949	\$ 8,616	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ 3,949	\$ 8,616	\$ -	\$ -
Schedules of activities information:						
Net assets at beginning of year	\$ 331,965	\$ 1,751,858	\$ (1,647)	\$ 6,181	\$ 199,997	\$ -
Contributions and changes in value of split interest agreements	-	-	(1,076)	(1,091)	(90)	1,205,307
Transfers from (to) operating/plant	-	(92,018)	-	-	-	-
Dividends, interest and other income	2,815	16,621	21	151	1,744	5,759
Net realized and unrealized gains (losses) on investments	46,009	243,574	297	2,193	25,315	85,875
Distributions to operating funds	(16,813)	-	-	-	(8,000)	(31,551)
Expenditures	-	-	-	-	-	-
Increase (decrease) in net assets	32,011	168,177	(758)	1,253	18,969	1,205,307
Net assets at end of year	363,976	1,920,035	(2,405)	7,434	218,966	674,649
Total liabilities and net assets	\$ 363,976	\$ 1,920,035	\$ 1,544	\$ 16,050	\$ 218,966	\$ 1,205,307

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

	Museum Division D.		Museum	Museum	Museum	Museum	Museum	Museum
	Museum Division Goizueta Education Endowment	Lurton Masee, Jr. Contemporary Art Acquisitions Endowment	Division Stent Distinguished Lecture Series Endowment	Division Mrs. Howard P. Lawrence Gift Annuity	Division Head of Museum Interpretation Endowment	Division Howell Exhibition Endowment	Division General Art Acquisitions Endowment	
May 31, 2017								
Schedules of financial position information:								
Investments	\$ 817,663	\$ 1,477,774	\$ 343,888	\$ 6,512	\$ 1,983,861	\$ 1,209,625	\$ 15,869	
Pledges and other receivables, net	-	-	-	-	-	44,171	-	
Prepaid Expenses	-	-	-	-	-	-	-	
Contributions receivable from remainder trusts	-	-	-	-	-	-	-	
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-	
Due from (to) other funds	-	-	-	(637)	-	-	-	
Total assets	\$ 817,663	\$ 1,477,774	\$ 343,888	\$ 5,875	\$ 1,983,861	\$ 1,253,796	\$ 15,869	
Liabilities and net assets:								
Charitable gift liability	\$ -	\$ -	\$ -	\$ 6,691	\$ -	\$ -	\$ -	
Deferred Revenue	-	-	-	-	-	-	-	
Total liabilities	\$ -	\$ -	\$ -	\$ 6,691	\$ -	\$ -	\$ -	
Schedules of activities information:								
Net assets at beginning of year	\$ 740,731	\$ 1,342,800	\$ 312,525	\$ 13,675	\$ 1,796,074	\$ 1,140,421	\$ 14,146	
Contributions and changes in value of split interest agreements	-	-	-	(1,990)	-	4,720	-	
Transfers from (to) operating/plant	-	(54,905)	-	-	-	-	-	
Dividends, interest and other income	6,915	12,082	2,937	86	16,974	9,331	131	
Net realized and unrealized gains (losses) on investments	104,256	177,797	43,646	1,200	242,497	146,673	1,592	
Distributions to operating funds	(34,239)	-	(15,220)	(13,787)	(71,684)	(47,349)	-	
Expenditures	-	-	-	-	-	-	-	
Increase (decrease) in net assets	76,932	134,974	31,363	(14,491)	187,787	113,375	1,723	
Net assets at end of year	817,663	1,477,774	343,888	(816)	1,983,861	1,253,796	15,869	
Total liabilities and net assets	\$ 817,663	\$ 1,477,774	\$ 343,888	\$ 5,875	\$ 1,983,861	\$ 1,253,796	\$ 15,869	

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Museum Division Barbara Stewart Exhibition Endowment	Museum Division Margaretta Taylor Exhibition Endowment	Museum Division Anne Cox Chambers Exhibition Endowment	Museum Division Gudmund Vigtel Memorial Art Acquisitions Endowment	Lucinda Bunnan Endowment	Museum Division Anne Cox Chambers Wing Maintenance Endowment	Sams & Grillhot Endowment
Schedules of financial position information:							
Investments	\$ 525,549	\$ 305,325	\$ 2,136,581	\$ 301,074	\$ 53,426	\$ 6,834,570	\$ 528,756
Pledges and other receivables, net	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	-	-	(1)	-	100,000	-	-
Total assets	\$ 525,549	\$ 305,325	\$ 2,136,580	\$ 301,074	\$ 153,426	\$ 6,834,570	\$ 528,756
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 478,758	\$ 275,830	\$ 1,961,347	\$ 274,807	\$ 139,935	\$ 6,060,270	\$ 483,341
Contributions and changes in value of split interest agreements	-	-	-	-	7,075	-	-
Transfers from (to) operating/plant	-	-	-	(14,031)	-	-	-
Dividends, interest and other income	4,806	(429)	18,177	2,576	(94)	46,311	4,213
Net realized and unrealized gains (losses) on investments	67,335	41,558	238,624	37,722	6,510	727,989	61,202
Distributions to operating funds	(25,350)	(11,634)	(81,568)	-	-	-	(20,000)
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	46,791	29,495	175,233	26,267	13,491	774,300	45,415
Net assets at end of year	525,549	305,325	2,136,580	301,074	153,426	6,834,570	528,756
Total liabilities and net assets	\$ 525,549	\$ 305,325	\$ 2,136,580	\$ 301,074	\$ 153,426	\$ 6,834,570	\$ 528,756

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Patty & Doug Reid Endowment	Sara Giles Moore Endowment	Wish Terry & Margaret Foundation Endowment	Margaret Stent Endowment	Morgens West Foundation Endowment	Marmo & Knox Endowment	General Endowment
Schedules of financial position information:							
Investments	\$ 261,457	\$ 318,920	\$ 1,085,182	\$ 217,036	\$ 194,111	\$ 170,423	\$ 95,299,887
Pledges and other receivables, net	-	-	-	-	-	42,156	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	161,472
Due from (to) other funds	-	-	-	-	25,000	-	493,594
Total assets	\$ 261,457	\$ 318,920	\$ 1,085,182	\$ 217,036	\$ 219,111	\$ 212,579	\$ 95,954,953
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 239,772	\$ 292,950	\$ 953,000	\$ 190,600	\$ 191,598	\$ 194,770	\$ 90,162,325
Contributions and changes in value of split interest agreements	2,003	-	-	-	1,352	1,917	9,737
Transfers from (to) operating/plant	-	-	-	-	-	-	-
Dividends, interest and other income	1,862	2,426	8,479	1,696	1,676	923	1,173,185
Net realized and unrealized gains (losses) on investments	27,820	35,544	123,703	24,740	24,485	14,969	9,329,780
Distributions to operating funds	(10,000)	(12,000)	-	-	-	-	(4,447,155)
Expenditures	-	-	-	-	-	-	(272,919)
Increase (decrease) in net assets	21,685	25,970	132,182	26,436	27,513	17,809	5,792,628
Net assets at end of year	261,457	318,920	1,085,182	217,036	219,111	212,579	95,954,953
Total liabilities and net assets	\$ 261,457	\$ 318,920	\$ 1,085,182	\$ 217,036	\$ 219,111	\$ 212,579	\$ 95,954,953

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	New Initiatives Endowment	Maintenance Reserve	Enhancement Endowment	Arts Education Endowment	Pre K to 12th Grade Arts Education Endowment	Evelyn Davis Endowment	Howle Unitrust Endowment
Schedules of financial position information:							
Investments	\$ 7,547,077	\$ 14,430,708	\$ 78,712	\$ 454,392	\$ 926,919	\$ 187,834	\$ 366,339
Pledges and other receivables, net	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	-	(105,914)	-	-	-	-	(1,750)
Total assets	\$ 7,547,077	\$ 14,324,794	\$ 78,712	\$ 454,392	\$ 926,919	\$ 187,834	\$ 364,589
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,530
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,530
Schedules of activities information:							
Net assets at beginning of year	\$ 6,858,213	\$ 12,990,017	\$ 68,235	\$ 414,363	\$ 847,228	\$ 162,831	\$ 114,602
Contributions and changes in value of split interest agreements	-	-	-	-	-	-	(32,399)
Transfers from (to) operating/plant	-	-	-	-	-	-	-
Dividends, interest and other income	77,270	134,046	669	3,727	7,333	1,596	3,229
Net realized and unrealized gains (losses) on investments	964,927	1,850,731	9,808	57,639	117,158	23,407	47,376
Distributions to operating funds	(353,333)	(650,000)	-	(21,337)	(44,800)	-	-
Expenditures	-	-	-	-	-	-	(1,749)
Increase (decrease) in net assets	688,864	1,334,777	10,477	40,029	79,691	25,003	16,457
Net assets at end of year	7,547,077	14,324,794	78,712	454,392	926,919	187,834	131,059
Total liabilities and net assets	\$ 7,547,077	\$ 14,324,794	\$ 78,712	\$ 454,392	\$ 926,919	\$ 187,834	\$ 364,589

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Beachamp Carr Challenge Endowment	Woodruff Foundation Endowment	Zeist Field Trip Endowment	Transformation Endowment	Solon & Marianna Patterson Education Endowment	Andrew Musselman Artistic Access Endowment	Goizueta Foundation Enterprise-Wide Arts Education Initiatives Endowment
Schedules of financial position information:							
Investments	\$ 1,167,191	\$ 218,879	\$ 3,001,841	\$ 1,312,685	\$ 337,610	\$ -	\$ 630,229
Pledges and other receivables, net	-	-	1,085,673	5,813	146,089	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Contributions receivable from remainder trusts	-	-	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-	-
Due from (to) other funds	-	(200,000)	-	4,083	29,335	100,000	-
Total assets	\$ 1,167,191	\$ 18,879	\$ 4,087,514	\$ 1,322,581	\$ 513,034	\$ 100,000	\$ 630,229
Liabilities and net assets:							
Charitable gift liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedules of activities information:							
Net assets at beginning of year	\$ 1,064,828	\$ 74,723	\$ 3,835,038	\$ 1,197,187	\$ -	\$ -	\$ 574,938
Contributions and changes in value of split interest agreements	-	(74,483)	19,571	29,631	500,000	100,000	-
Transfers from (to) operating/plant	-	-	-	-	-	-	-
Dividends, interest and other income	10,123	1,045	23,845	8,067	254	-	5,267
Net realized and unrealized gains (losses) on investments	148,799	17,594	329,429	118,446	12,780	-	80,176
Distributions to operating funds	(56,559)	-	(120,369)	(30,750)	-	-	(30,152)
Expenditures	-	-	-	-	-	-	-
Increase (decrease) in net assets	102,363	(55,844)	252,476	125,394	513,034	100,000	55,291
Net assets at end of year	1,167,191	18,879	4,087,514	1,322,581	513,034	100,000	630,229
Total liabilities and net assets	\$ 1,167,191	\$ 18,879	\$ 4,087,514	\$ 1,322,581	\$ 513,034	\$ 100,000	\$ 630,229

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.

See accompanying Independent Auditors' Report on Supplementary Information

Schedules of financial position and of activities information – Endowment funds and split interest agreements* (cont'd)

May 31, 2017	Young Audiences Division General Endowment	Young Audiences Division Ann Alperin Endowment
Schedules of financial position information:		
Investments	\$ 1,073,424	\$ 203,825
Pledges and other receivables, net	-	-
Prepaid Expenses	-	-
Contributions receivable from remainder trusts	-	-
Beneficial interest in perpetual trusts	-	-
Due from (to) other funds	-	-
Total assets	\$ 1,073,424	\$ 203,825
Liabilities and net assets:		
Charitable gift liability	\$ -	\$ -
Deferred Revenue	-	-
Total liabilities	\$ -	\$ -
Schedules of activities information:		
Net assets at beginning of year	\$ 980,576	\$ 185,645
Contributions and changes in value of split interest agreements	-	-
Transfers from (to) operating/plant	-	-
Dividends, interest and other income	8,550	1,779
Net realized and unrealized gains (losses) on investments	135,751	26,035
Distributions to operating funds	(51,453)	(9,634)
Expenditures	-	-
Increase (decrease) in net assets	92,848	18,180
Net assets at end of year	1,073,424	203,825
Total liabilities and net assets	\$ 1,073,424	\$ 203,825

*Split interest agreements include beneficial interest in perpetual trusts, contributions receivable from remainder trusts and charitable gift annuities.
See accompanying Independent Auditors' Report on Supplementary Information

Alliance Theatre Company

Information regarding the schedules of activities

For the years ending May 31	2017	2016
Earned Revenue		
Ticket Sales		
Season tickets	\$ 875,694	\$ 816,593
Single ticket	2,407,426	2,235,896
Education Programs	1,442,990	1,397,547
Miscellaneous revenue	86,188	157,804
Enhancement and co-production income	1,898,659	760,000
Endowment distribution	808,940	623,114
Total earned revenue	7,519,897	5,990,954
Contributed Revenue		
Annual fund	1,877,599	1,900,239
Corporate	1,763,015	1,825,249
Special events	315,444	365,855
Government grants	133,595	157,000
Lettie Pate Evans Grant	655,437	454,680
Goizueta Enterprise	26,332	138,550
Foundations – General	1,163,377	975,285
Foundations – Education	100,000	100,000
In-kind income	84,985	71,657
Total contributed revenue	6,119,784	5,988,515
Allocation from Arts Center	139,163	188,772
Total revenue and gains	13,778,844	12,168,241
Expenses and losses:		
Creative artist overhead	1,064,109	977,207
Creative artist – Directors/designers	898,132	628,606
Royalty	168,113	217,357
Talent – Actors/stage managers	2,012,527	1,589,247
Production	3,814,818	3,166,783
Marketing	1,592,705	1,494,679
Education program	1,220,932	1,448,925
Goizueta Enterprise	26,332	138,550
PNC grant expense	116,320	66,934
Lettie Pate Evans Grant Expenses	655,437	454,680
Development	980,049	819,196
Administration	953,449	930,558
Pension expense	136,000	53,473
In-kind expense	84,985	71,657
Total expenses and losses	13,723,908	12,057,852
Excess of revenues over expenses	54,936	110,389
Pension related changes other than net periodic pension costs	101,400	(656,369)
Board designated activity	1,025,711	(172,546)
Change in currently expendable unrestricted net assets	1,182,047	(718,526)
Currently expendable unrestricted net assets (deficit) at beginning of year	(3,616,417)	(2,897,891)
Currently expendable unrestricted net assets (deficit) at end of year	\$ (2,434,370)	\$ (3,616,417)

See accompanying note on page 61 and Independent Auditors' Report on Supplementary Information.

Atlanta Symphony Orchestra

Information regarding the schedules of activities

For the years ending May 31	2017	2016
Operating revenues:		
Ticket sales/fees	\$ 7,662,079	\$ 12,524,936
Ancillary revenues	2,931,517	4,491,889
Fees/Royalties	653,233	677,151
Other income	675,551	838,080
Total operating revenues	11,922,380	18,532,056
Contributions:		
Annual fundraising campaign	3,092,303	2,809,988
Foundation grants	819,363	561,866
Government grants	48,917	85,000
Corporate sponsorships	2,211,086	3,759,007
Volunteer Services	298,906	67,644
Other fundraising	1,382,011	1,775,847
Total contributions	7,852,585	9,059,352
Distributions from endowment	4,311,017	3,920,603
Budgeted allocation from Arts Center	575,675	797,208
Total revenues and gains	24,661,657	32,309,219
Expenses and losses:		
General orchestra	10,680,213	10,514,602
Artistic	1,891,932	2,004,300
Administrative and general	5,050,362	5,410,729
Marketing and public relations	1,439,331	1,667,208
Development	742,640	194,772
Production	1,175,880	1,139,534
Library	98,191	158,545
Popular presentations	2,677,444	10,603,428
Volunteer Services	91,373	-
Education	495,126	419,464
Total expenses and losses	24,342,492	32,112,582
Excess of revenues over (under) expenses	319,165	196,637
Interfund transfer	4,525,000	(171,638)
Gain on Disposal of Equipment/Contracts	-	5,239,961
Pension related changes other than net periodic pension costs	235,625	(2,001,153)
Change in currently expendable unrestricted net assets	5,079,790	3,263,807
Currently expendable unrestricted net assets (deficit) at beginning of year	(9,048,376)	(12,312,183)
Currently expendable unrestricted net assets (deficit) at end of year	\$ (3,968,586)	\$ (9,048,376)

See accompanying note on page 61 and Independent Auditors' Report on Supplementary Information.

High Museum of Art

Information regarding the schedules of activities

For the years ending May 31	2017	2016
Revenue and gains:		
Admissions	\$ 1,393,843	\$ 1,379,801
Museum shop sales	799,728	1,321,529
Membership income	2,964,881	3,345,862
Special events	319,686	529,697
Education	24,258	7,179
Creative Services Sales	9,860	31,562
Miscellaneous earned income	214,818	166,087
Audio Tour	14,662	42,237
Traveling exhibition income	99,263	104,125
Total earned revenue	5,840,999	6,928,079
Corporate support	1,602,737	1,279,782
In-kind support	226,838	348,836
Director's Circle	1,590,063	1,615,646
Grant and foundation support	1,137,563	2,342,050
Fayette County Grant	-	40,609
Goizueta Grants	-	73,742
Major gifts	835,968	1,000,705
Miscellaneous Contributions	-	306
Total support revenues	5,393,169	6,701,676
Annual fund	138,032	168,173
Art Partners support	80,600	-
Driskell Prize	153,183	284,234
Collectors Evening	-	75,477
Gala	-	241,850
Friends of the Collection	13,227	2,108
Wine auction	2,190,506	2,313,236
Total other support income	2,575,548	3,085,078
WAC allocation	475,283	559,152
Interest income	14,901	24,424
Trust income	363,112	366,610
Endowment income - Director's Chair	97,150	89,930
Endowment income - General	1,365,194	1,133,379
Endowment income - B&G Sustainability	10,389	10,861
Endowment income - General - Decorative Arts	114,987	112,171
Endowment income - General - European Arts	86,141	84,079
Endowment income - General - Exhibitions	117,836	89,486
Endowment income - General -Photography	60,000	-
Endowment income - Restricted - Exhibitions	1,149,969	1,109,559
Endowment income - General Education support	132,788	128,784
Endowment income - Head of Interpretation	71,684	59,624
Endowment income - Education - Goizueta	11,791	6,264
Endowment income - Stent Distinguished Lecture Series	15,219	13,345
Endowment income - Livingston	55,463	62,275
Endowment income - African Art Chair	70,886	67,637
Endowment income - American Art Chair	69,228	67,649
Endowment income - Mod/Con Art Chair	50,314	47,527
Endowment income - Kendeda Arts Access	142,750	132,497
Endowment income - Vigtel Works on Paper	31,552	30,070
Endowment income - Goizueta Foundation	123,840	118,781
Endowment Income - Don Keough	11,560	-
Total endowment and trust income	4,151,854	3,730,528
Total revenues and gains	\$ 18,451,754	\$ 21,028,937

See accompanying note on page 61 and Independent Auditors' Report on Supplementary Information.

High Museum of Art

Information regarding the schedules of activities (cont'd)

For the years ending May 31	2017	2016
Expenses and losses:		
Staff	\$ 7,238,845	\$ 7,069,190
Administration	473,772	520,649
Director's office	55,156	108,393
Audio tour	43,775	52,525
C.O.O.'s office	9,194	11,982
Driskell Event	117,025	124,170
Facilities	1,540,829	1,370,680
Offsite storage and conservation	120,562	146,354
Museum shop	137,009	130,818
Security	1,484,242	1,431,980
Guest Relations	62,654	38,645
Education	1,219,037	968,071
Goizueta	-	61,444
Creative Services	70,938	64,040
Curatorial	68,174	89,742
Exhibition manager	4,457	6,275
Exhibitions	1,182,756	3,297,184
Traveling exhibitions	-	10,708
Exhibition Design	310	591
Library	2,410	3,944
Permanent Collection-Registrar	169,889	160,063
Preparators	14,852	20,877
Group sales	4,833	9,926
Arts Access	128,205	127,106
High ball	63,667	-
Friday Jazz	-	72,428
Marketing & Communications	967,370	1,308,280
Annual fund	11,896	27,101
Membership	597,370	863,913
Special events	-	207,386
Technology	101,763	95,467
Development	137,076	242,241
Gala	-	91,531
Wine Auction	1,002,044	883,008
In-kind Amortization Expense	226,838	348,836
Art Partners	-	2,300
Museum Shop Discounts	146,259	183,731
Museum Shop COGS	363,151	682,750
Friends of the Collection	13,227	2,108
Total expenses and losses	17,779,585	20,836,437
Excess of revenues over expenses	672,170	192,500
Other items:		
Board designated activity	63,947	16,363
Transfer to Plant fund	(699,017)	-
Pension related changes other than net periodic pension costs	132,482	(307,343)
Change in currently expendable unrestricted net assets	169,582	(98,480)
Currently expendable unrestricted net assets at beginning of year	(1,543,573)	(1,445,093)
Currently expendable unrestricted net assets at end of year	\$ (1,373,991)	\$ (1,543,573)

See accompanying note on page 61 and Independent Auditors' Report on Supplementary Information.

Woodruff Arts Center Administration

Information regarding the schedules of activities

For the years ending May 31	2017	2016
Revenue and gains:		
Operating revenues	\$ 6,949,976	\$ 6,195,381
Contributions/fundraising	9,681,789	9,229,589
Interest income	66,687	28,957
Distributions from endowment	5,038,206	4,754,350
Allocation to divisions	(1,190,121)	(1,545,132)
Total revenues and gains	20,546,537	18,663,145
Expenses and losses:		
Salaries, wages and payroll taxes	11,086,031	10,378,827
Pension expense	151,289	291,594
Interest expense	120,522	(104,511)
Contract occupancy costs	1,738,194	1,731,962
Utilities and property taxes	508,147	477,386
Security	591,982	535,086
Insurance	936,433	962,626
Professional fundraising	124,301	90,156
Other professional services	411,142	713,105
Food and Beverage Operations Cost	3,130,911	3,192,877
Promotions	1,152,210	989,496
Cost of goods sold	99,108	42,115
Telephone	145,207	139,986
Office supplies and equipment	187,209	157,751
Computer charges	210,541	430,475
Depreciation expense	212,003	143,035
Provision for uncollectible receivables	173,639	177,204
Miscellaneous	539,273	618,062
Total expenses and losses	21,518,142	20,967,232
Subtotal	(971,605)	(2,304,087)
Net assets released from restrictions	1,230,599	1,354,075
Excess of revenues over (under) expenses	258,994	(950,012)
Other items:		
Pension related changes other than net periodic pension costs	(268,628)	(923,661)
Board designated activity	(5,774,864)	(451,991)
Income Tax Expense	-	(2,831)
Total other items	(6,043,492)	(1,378,483)
Change in currently expendable unrestricted net assets	(5,784,498)	(2,328,495)
Currently expendable unrestricted net assets (deficit) at beginning of year	(10,187,026)	(7,858,531)
Currently expendable unrestricted net assets (deficit) at end of year	\$ (15,971,524)	\$ (10,187,026)

See accompanying note on page 61 and Independent Auditors' Report on Supplementary Information.

Robert W. Woodruff Arts Center, Inc. and Subsidiary

Note to supplemental schedules of activities

The following schedules reconcile the budget basis information in the schedules of activities on pages 56 to 60 to the Operating Fund Statement of Activities, which is a component of the Consolidated Statement of Activities and contains amounts which are eliminated in consolidation.

See accompanying Independent Auditors' Report on Supplementary Information

For the year ended May 31, 2017	Alliance Theatre	Atlanta Symphony Orchestra	High Museum of Art	Woodruff Arts Center
Revenue per Divisional Income Statements	\$ 13,778,844	\$ 24,661,657	\$ 18,451,754	\$ 20,546,537
Net Assets Released	(1,856,703)	(1,735,066)	(1,887,566)	-
Gross-up Impact	-	-	-	-
Other	27,140	213,333	329,527	-
Revenue per Operating Fund	\$ 11,949,281	\$ 23,139,924	\$ 16,893,715	\$ 20,546,537
Expense per Divisional Statements	\$ 13,723,908	\$ 24,342,492	\$ 17,779,585	\$ 21,518,142
Gross-up Impact	-	-	-	-
Other	27,224	521,455	306,115	-
Expense per Operating Fund	\$ 13,751,132	\$ 24,863,947	\$ 18,085,700	\$ 21,518,142

For the year ended May 31, 2016	Alliance Theatre	Atlanta Symphony Orchestra	High Museum of Art	Woodruff Arts Center
Revenue per Divisional Income Statements	\$ 12,168,241	\$ 32,309,219	\$ 21,028,937	\$ 18,663,145
Net Assets Released	(1,756,999)	(1,668,543)	(3,355,629)	-
Gross-up Impact	-	(9,917)	-	-
Other	181,327	(109,995)	238,999	-
Revenue per Operating Fund	\$ 10,592,569	\$ 30,520,764	\$ 17,912,307	\$ 18,663,145
Expense per Divisional Statements	\$ 12,057,852	\$ 32,112,582	\$ 20,836,437	\$ 20,967,232
Gross-up Impact	-	9,917	-	-
Other	99,971	109,171	310,423	-
Expense per Operating Fund	\$ 12,157,823	\$ 32,231,670	\$ 21,146,860	\$ 20,967,232