

**FRIENDS OF THE HIGH LINE, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2017**

**FRIENDS OF THE HIGH LINE, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Friends of the High Line, Inc.

We have audited the accompanying financial statements of Friends of the High Line, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the High Line, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Friends of the High Line, Inc.'s 2016 financial statements, and our report dated April 27, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Lotz + Carr, LLP*

New York, New York  
April 26, 2018

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

(Dollars in thousands)

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 9a)	\$ 5,582	\$ 5,845
Unconditional promises to give (Notes 1e, 3 and 9c)	25,315	24,276
Accounts receivable and other current assets	252	429
Inventory (Note 1f)	214	257
Investments (Notes 1c, 1d and 4)		
Operations	5,361	4,889
Endowments (Note 7)	49,168	40,501
Campaign for the High Line	13,148	26,537
Property and equipment, at cost (net of accumulated depreciation) (Notes 1g and 5)	<u>556</u>	<u>652</u>
<b>Total Assets</b>	<u><u>\$99,596</u></u>	<u><u>\$103,386</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 953	\$ 965
Construction and renovation costs payable	872	341
Refundable advances	231	548
Deferred compensation plan liability (Note 10a)	<u>122</u>	<u>155</u>
Total Liabilities	<u>2,178</u>	<u>2,009</u>
Commitments (Notes 8 and 10)		
Net Assets		
Unrestricted (Note 2a)		
Operating	1,522	2,428
Board designated operating reserve	4,810	4,727
Board designated for future periods and purposes	300	400
Board designated High Line Fund	42,370	35,001
Campaign for the High Line	<u>13,230</u>	<u>27,264</u>
Total Unrestricted	<u>62,232</u>	<u>69,820</u>
Temporarily restricted (Note 2b)		
Operations	9,818	7,062
Campaign for the High Line	<u>19,525</u>	<u>18,714</u>
Total Temporarily Restricted	<u>29,343</u>	<u>25,776</u>
Permanently restricted (Notes 2c and 7)		
Total Net Assets	<u>5,843</u>	<u>5,781</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$99,596</u></u>	<u><u>\$103,386</u></u>

See notes to financial statements.

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

(Dollars in thousands)

	2017					2016						
	Operations				Total Operations	Campaign for the High Line			Operations	Campaign for the High Line	Total	
	Unrestricted	Temporarily Restricted	Board Designated High Line Fund	Permanently Restricted		Unrestricted	Temporarily Restricted	Total Campaign for the High Line				
<b>Changes in Net Assets</b>												
Revenues and Other Support												
Contributions (Notes 1e and 9b)	\$ 3,780	\$ 4,096	\$ -	\$ -	\$ 7,876	\$ 372	\$ 2,150	\$ 2,522	\$ 10,398	\$ 8,904	\$ 924	\$ 9,828
Benefit income	4,827	-	-	-	4,827	-	-	-	4,827	4,984	-	4,984
Less: Direct benefit expense (Note 6)	(1,041)	-	-	-	(1,041)	-	-	-	(1,041)	(1,089)	-	(1,089)
Donated services (Note 6)	370	-	-	-	370	-	-	-	370	406	-	406
Investment income (Note 4)	87	799	4,746	-	5,632	251	-	251	5,883	2,123	413	2,536
Sublicensing restaurant income (Note 8c)	802	-	-	-	802	-	-	-	802	1,047	-	1,047
Sublicensing concessions income	326	-	-	-	326	-	-	-	326	348	-	348
Facility and venue rentals	1,341	-	-	-	1,341	-	-	-	1,341	1,606	-	1,606
Merchandise sales, net of cost of goods sold \$423 (2017) and \$535 (2016)	605	-	-	-	605	-	-	-	605	643	-	643
Repairs, maintenance and improvement funding (Notes 8f and 8g)	526	-	-	-	526	933	-	933	1,459	429	79	508
Other revenue	156	-	-	-	156	-	-	-	156	112	-	112
	11,779	4,895	4,746	-	21,420	1,556	2,150	3,706	25,126	19,513	1,416	20,929
Net assets released from restrictions												
Satisfaction of program and period restrictions (\$1,087 and \$3,611 in 2016 within Operations and Campaign, respectively)	2,487	(2,487)	-	-	-	1,339	(1,339)	-	-	-	-	-
Board designation of contribution to Operations (Note 2a)	100	-	-	-	100	-	-	-	100	200	-	200
Redesignation of funds by donor	-	(62)	-	62	-	-	-	-	-	-	-	-
Appropriations for use in operations (Note 7)	680	(80)	(600)	-	-	-	-	-	-	-	-	-
<b>Total Revenues and Other Support</b>	<b>15,046</b>	<b>2,266</b>	<b>4,146</b>	<b>62</b>	<b>21,520</b>	<b>2,895</b>	<b>811</b>	<b>3,706</b>	<b>25,226</b>	<b>19,713</b>	<b>1,416</b>	<b>21,129</b>
Expenses (Note 11)												
Program Services												
High Line planning and construction	202	-	-	-	202	14,458	-	14,458	14,660	133	3,045	3,178
High Line operations	6,702	-	-	-	6,702	-	-	-	6,702	6,372	-	6,372
Programming and education	3,300	-	-	-	3,300	-	-	-	3,300	2,680	-	2,680
<b>Total Program Services</b>	<b>10,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,204</b>	<b>14,458</b>	<b>-</b>	<b>14,458</b>	<b>24,662</b>	<b>9,185</b>	<b>3,045</b>	<b>12,230</b>
Supporting Services												
Management and general	2,181	-	-	-	2,181	-	-	-	2,181	1,543	-	1,543
Fundraising	2,661	-	-	-	2,661	-	-	-	2,661	2,438	-	2,438
Campaign for the High Line fundraising	-	-	-	-	-	71	-	71	71	9	566	575
<b>Total Supporting Services</b>	<b>4,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,842</b>	<b>71</b>	<b>-</b>	<b>71</b>	<b>4,913</b>	<b>3,990</b>	<b>566</b>	<b>4,556</b>
<b>Total Expenses</b>	<b>15,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,046</b>	<b>14,529</b>	<b>-</b>	<b>14,529</b>	<b>29,575</b>	<b>13,175</b>	<b>3,611</b>	<b>16,786</b>
Increase (Decrease) in Net Assets Before Non-Operating Activity (carried forward)	-	2,266	4,146	62	6,474	(11,634)	811	(10,823)	(4,349)	6,538	(2,195)	4,343

See notes to financial statements.

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

(Dollars in thousands)

	2017								2016			
	Operations				Campaign for the High Line				Operations	Campaign for the High Line	Total	
	Unrestricted	Temporarily Restricted	Board Designated High Line Fund	Permanently Restricted	Total Operations	Unrestricted	Temporarily Restricted	Total Campaign for the High Line				
Increase (Decrease) in Net Assets Before Non-Operating Activity (brought forward)	\$ -	\$ 2,266	\$ 4,146	\$ 62	\$ 6,474	\$ (11,634)	\$ 811	\$ (10,823)	\$ (4,349)	\$ 6,538	\$ (2,195)	\$ 4,343
Non-Operating Activity												
Fiscal sponsorship contributions (Note 8h)	536	797	-	-	1,333	-	-	-	1,333	355	-	355
Net assets released from restrictions (Note 8h)	307	(307)	-	-	-	-	-	-	-	-	-	-
Fiscal sponsorship disbursements (Note 8h)	(843)	-	-	-	(843)	-	-	-	(843)	(49)	-	(49)
Board designation of contribution to Operations (Note 2a)	(100)	-	-	-	(100)	-	-	-	(100)	(200)	-	(200)
Transfers to fund Board Designated High Line Fund	(823)	-	3,223	-	2,400	(2,400)	-	(2,400)	-	2,400	(2,400)	-
Increase (decrease) in unrestricted net assets	(923)	-	7,369	-	-	(14,034)	-	-	-	4,899	(1,695)	3,204
Increase (decrease) in temporarily restricted net assets	-	2,756	-	-	-	-	811	-	-	3,546	(2,900)	646
Increase in permanently restricted net assets	-	-	-	62	-	-	-	-	-	599	-	599
Increase (decrease) in net assets	(923)	2,756	7,369	62	9,264	(14,034)	811	(13,223)	(3,959)	9,044	(4,595)	4,449
Net assets, beginning of year	7,555	7,062	35,001	5,781	55,399	27,264	18,714	45,978	101,377	46,355	50,573	96,928
<b>Net Assets, End of Year</b>	<b>\$ 6,632</b>	<b>\$ 9,818</b>	<b>\$ 42,370</b>	<b>\$ 5,843</b>	<b>\$ 64,663</b>	<b>\$ 13,230</b>	<b>\$ 19,525</b>	<b>\$ 32,755</b>	<b>\$ 97,418</b>	<b>\$ 55,399</b>	<b>\$ 45,978</b>	<b>\$101,377</b>

See notes to financial statements.

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

(Dollars in thousands)

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ (3,959)	\$ 4,449
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	209	271
Realized (gain) loss on investments	(1,113)	526
Unrealized gain on investments	(3,632)	(2,103)
Donated securities	(477)	(1,078)
Endowment contributions	-	(599)
(Increase) decrease in:		
Unconditional promises to give	(1,039)	845
Accounts receivable and other current assets	177	(14)
Inventory	43	213
Increase (decrease) in:		
Accounts payable and accrued expenses	(12)	125
Construction and renovation costs payable	531	(60)
Refundable advances	(317)	460
Deferred compensation plan liability	(33)	25
Net Cash Provided (Used) By Operating Activities	<u>(9,622)</u>	<u>3,060</u>
<b>Cash Flows From Investing Activities</b>		
Endowment contributions received	-	682
Purchase of investments	(18,092)	(17,026)
Proceeds from sale of investments	27,564	13,708
Purchase of property and equipment	(113)	(156)
Net Cash Provided (Used) By Investing Activities	<u>9,359</u>	<u>(2,792)</u>
Net increase (decrease) in cash and cash equivalents	(263)	268
Cash and cash equivalents, beginning of year	<u>5,845</u>	<u>5,577</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 5,582</u>	<u>\$ 5,845</u>

See notes to financial statements.



**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a - Organization

Friends of the High Line, Inc. (the "Organization") is a non-profit conservancy responsible for maintaining an extraordinary public space on the High Line. The High Line is a 1.45-mile elevated freight rail line transformed into a public park on Manhattan's West Side. It is owned by The City of New York, and maintained and operated by Friends of the High Line under a license agreement (Note 8).

Founded in 1999 by community residents, Friends of the High Line worked to preserve and transform the structure, and now works with the New York City Department of Parks & Recreation in overseeing maintenance, operations, and public programming for the park. Friends of the High Line also works to raise private funds to support the park's annual operating budget.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments, purchased with a maturity of three months or less, such as money market funds and short-term deposits, to be cash equivalents, except for amounts being managed within the investment account.

c - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset, based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

c - Fair Value Measurements (continued)

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.

d - Investments

The Organization reflects investments in marketable securities at fair value in the statement of financial position, except for certain limited partnerships and investment funds which are reported at cost. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same fiscal year in which the gains and other investment income are recognized.

Investments are measured at fair value on a recurring basis. Investments with fair values that are based on quoted market prices in active markets are classified within Level 1.

Investments that trade in markets that are not considered to be active, but are valued using other observable inputs are classified within Level 2.

Alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent, which is estimated at fair value by the fund manager or general partner in a manner consistent with accounting principles generally accepted in the United States for investment companies. The Organization reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

e - Contributions and Unconditional Promises to Give

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

The Organization uses the allowance method to determine uncollectable promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

f - Inventory

The Organization's inventory consists primarily of books and apparel and is stated at the lower of cost, as determined by the average cost method, or market.

g - Property and Equipment

Purchased property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset. Leasehold improvements are depreciated over the term of the lease. Expenditures paid for the maintenance of or improvements to the High Line are not capitalized due to the Organization's status as a non-owner licensee.

h - Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

The Organization presents information related to its operations separately from information related to the Campaign for the High Line (the "Campaign"). Operations include the regular, recurring revenues and expenses from managing, maintaining, and providing programming on the High Line. The Campaign includes fundraising for direct costs related to the construction and renovation of the High Line, and to establish endowments (donor-restricted and board designated) to provide for the ongoing operations and maintenance of the High Line.

i - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

j - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and the supporting services in reasonable ratios determined by management.

k - Tax Status

Friends of the High Line, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

l - Subsequent Events

The Organization has evaluated subsequent events through April 26, 2018, the date that the financial statements are considered available to be issued.

m - Prior Year Information

For comparability, certain 2016 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2017.

**Note 2 - Net Assets**

a - Unrestricted

*Board Designated Operating Reserve*

The Organization maintains an operating reserve with a minimum balance requirement of \$3,000. At December 31, 2017, the balance of the reserve totaled \$4,810.

*Board Designated for Future Periods and Purposes*

In 2015, the Organization received a \$5,000 gift from the estate of a donor. The Organization's Board designated \$4,400 of the funds received towards the Campaign for the High Line and \$600 towards future operating periods and purposes. As of December 31, 2017, \$300 remains designated towards future operating periods.

*Campaign for the High Line*

Campaign for the High Line net assets include unrestricted funds raised through a campaign to provide for the direct costs related to the construction and renovation of the High Line, and to establish board designated endowment funds to support the ongoing operations and maintenance of the High Line. After more than thirteen years, the Campaign for the High Line was closed in February 2016.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**(Dollars in thousands)**

**Note 2 - Net Assets (continued)**

a - Unrestricted (continued)

In 2011, the Organization established the Board Designated High Line Fund to sustain the park's long-term maintenance and operations. For 2017, \$600 was appropriated to operations pursuant to the Organization's spending policy (Note 7). At December 31, 2017, the balance of this Fund was \$42,370.

b - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following future periods and programs:

	<u>2017</u>	<u>2016</u>
Campaign		
Unconditional promises to give restricted to future periods	\$33,161	\$32,902
Allowance for uncollectible amounts	(5,000)	(5,000)
Less: Discount to present value	<u>(8,636)</u>	<u>(9,188)</u>
Sub-total - Campaign	<u>19,525</u>	<u>18,714</u>
Programs and Operations		
Future periods	4,277	4,181
Education and other programs	1,401	278
Maintenance and operations	1,300	1,500
Art program	1,187	970
High Line Network	1,170	216
Fiscal sponsorship – Mile Long Opera	797	307
Horticulture	300	700
Community outreach and development	140	115
Internship program	-	250
Equity training	-	93
Elevator maintenance	-	6
	<u>10,572</u>	<u>8,616</u>
Accumulated investment earnings - permanently restricted endowments	1,017	298
Allowance for uncollectible amounts	(90)	(90)
Less: Discount to present value	<u>(1,681)</u>	<u>(1,762)</u>
Sub-total - Programs and Operations	<u>9,818</u>	<u>7,062</u>
	<u>\$29,343</u>	<u>\$25,776</u>

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 2 - Net Assets (continued)**

c - Permanently Restricted Net Assets

Permanently restricted net assets include contributions restricted by the donors for the following endowments:

1. Endowment for Sustainability - to support the operations of the High Line including, but not limited to, horticulture, maintenance, visitor services, public programs, public art commissions, and school and youth programs.	\$1,898
2. Horticultural and Stewardship Fund - to support the horticultural care and general maintenance of the public park on the High Line.	2,500
3. Public Programs Fund - to support public programs on the park, including the High Line teen job program, school field trips and public art projects.	<u>1,445</u>
	<u>\$5,843</u>

**Note 3 - Unconditional Promises to Give**

Unconditional promises to give are expected to be collected as follows:

	<u>2017</u>		
	<u>Operations</u>	<u>Campaign</u>	<u>Total</u>
Due in less than one year	\$3,221	\$ 5,599	\$ 8,820
Due in one to five years	1,235	2,640	3,875
Due in six to forty-three years	<u>3,106</u>	<u>24,922</u>	<u>28,028</u>
	7,562	33,161	40,723
Less: Discount to net present value	(1,682)	(8,636)	(10,318)
Less: Valuation allowance	<u>(90)</u>	<u>(5,000)</u>	<u>(5,090)</u>
	<u>\$5,790</u>	<u>\$19,525</u>	<u>\$25,315</u>
	<u>2016</u>		
	<u>Operations</u>	<u>Campaign</u>	<u>Total</u>
Due in less than one year	\$2,553	\$ 4,441	\$ 6,994
Due in one to five years	1,698	3,320	5,018
Due in six to forty-four years	<u>3,161</u>	<u>25,143</u>	<u>28,304</u>
	7,412	32,904	40,316
Less: Discount to net present value	(1,762)	(9,188)	(10,950)
Less: Valuation allowance	<u>(90)</u>	<u>(5,000)</u>	<u>(5,090)</u>
	<u>\$5,560</u>	<u>\$18,716</u>	<u>\$24,276</u>

Unconditional promises to give due after one year are reflected at present value of estimated future cash flows using a discount rate of 3%.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**(Dollars in thousands)**

**Note 4 - Investments**

The following summarizes investments at December 31:

	<u>2017</u>		<u>2016</u>	
	<u>Cost Basis</u>	<u>Fair Value</u>	<u>Cost Basis</u>	<u>Fair Value</u>
Money market funds and cash held for investment	\$ 2,748	\$ 2,748	\$ 2,684	\$ 2,684
Mutual Funds and Exchange Traded Funds:				
Equity funds	19,014	23,548	17,062	18,798
Fixed income funds	23,292	23,192	34,904	34,808
Real estate fund	2,204	2,268	2,173	2,229
Diversified strategies-balanced funds	5,425	5,551	3,470	3,305
Corporate bonds	2,832	2,846	2,685	2,685
Mortgage backed securities	454	457	552	550
Alternative Investments:				
Hedge funds	4,261	4,553	4,699	4,716
Private equity funds	<u>1,802</u>	<u>2,514</u>	<u>1,694</u>	<u>2,152</u>
	<u>\$62,032</u>	<u>\$67,677</u>	<u>\$69,923</u>	<u>\$71,927</u>

The following summarizes investments at December 31, by the levels within the fair value hierarchy used to measure their respective fair values:

	<u>2017</u>			
	<u>Fair Value</u>	<u>Level 1 (Quoted Prices In Active Markets for Identical Assets)</u>	<u>Level 2 (Quoted Reasonably Available Observable Inputs)</u>	<u>Level 3 (Significant Unobservable Inputs)</u>
Money market funds and cash held for investment	\$ 2,748	\$ 2,748	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Equity funds	23,548	23,548	-	-
Fixed income funds	23,192	23,192	-	-
Real estate fund	2,268	2,268	-	-
Diversified strategies-balanced funds	5,551	5,551	-	-
Corporate bonds	2,846	-	2,846	-
Mortgage backed securities	<u>457</u>	<u>-</u>	<u>457</u>	<u>-</u>
	60,610	<u>\$57,307</u>	<u>\$ 3,303</u>	<u>\$ -</u>
Alternative investments measured at net asset value	<u>7,067</u>			
	<u>\$67,677</u>			

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**(Dollars in thousands)**

**Note 4 - Investments (continued)**

	<b>2016</b>			
	<b>Fair Value</b>	<b>Level 1 (Quoted Prices In Active Markets for Identical Assets)</b>	<b>Level 2 (Quoted Reasonably Available Observable Inputs)</b>	<b>Level 3 (Significant Unobservable Inputs)</b>
Money market funds and cash held for investment	\$ 2,684	\$ 2,684	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Equity funds	18,798	18,798	-	-
Fixed income funds	34,808	34,808	-	-
Real estate fund	2,229	2,229	-	-
Diversified strategies-balanced funds	3,305	3,305	-	-
Corporate bonds	2,685	-	2,685	-
Mortgage backed securities	<u>550</u>	<u>-</u>	<u>550</u>	<u>-</u>
	65,059	<u>\$61,824</u>	<u>\$ 3,235</u>	<u>\$ -</u>
Alternative investments measured at net asset value	<u>6,868</u>			
	<u>\$71,927</u>			

Net investment income for 2017 and 2016 is summarized as follows:

	<b><u>2017</u></b>	<b><u>2016</u></b>
Interest and dividends	\$1,261	\$1,057
Realized gain (loss) on sale of investments	1,113	(526)
Unrealized gain on investments	3,632	2,103
Investment management fees	<u>(123)</u>	<u>(98)</u>
Net Investment Income	<u>\$5,883</u>	<u>\$2,536</u>



**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 4 - Investments (continued)**

The investments included in the Organization's investment portfolio, valued using the net asset value, are redeemable based on the following terms and conditions as of December 31, 2017:

<i>Hedge Funds</i>	
Maturity with 7 days' notice	\$ 512
Maturity with 65 days' notice	574
Quarterly with 45 - 95 days' notice	1,554
Annual with 95 days' notice	511
Redeemed in 2017, proceeds expected in mid-year 2018	<u>1,402</u>
	4,553
<i>Private Equity Funds</i>	
No opportunity for redemption, distributions only made at fund's discretion	<u>2,514</u>
	<u>\$7,067</u>

The following are descriptions of the investment strategies of these investments:

*Hedge Funds*

These funds invest in equity, fixed income, and derivative investments and vary their investment strategies in response to changing market opportunities.

*Private Equity Funds*

These funds employ buyout and venture capital strategies, with a particular focus on purchase, improvement and development of companies not traded on a stock exchange.

Based on information provided by the investment fund managers, management expects that the investment horizon of the nonredeemable private equity funds will be ten years or more.

At December 31, 2017, the Organization had outstanding commitments to invest in private equity funds in the amount of \$936.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**(Dollars in thousands)**

**Note 5 - Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2017</u>	<u>2016</u>
Computer equipment	3-5 years	\$ 62	\$ 62
Equipment and furniture	3-7 years	540	499
Website	3-5 years	268	257
Software	3 years	195	202
High Line machinery and equipment	5-10 years	<u>392</u>	<u>331</u>
		1,457	1,351
Less: Accumulated depreciation		<u>(901)</u>	<u>(699)</u>
		<u>\$ 556</u>	<u>\$ 652</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$209 and \$271, respectively.

**Note 6 - Donated Services**

The Organization received the following donated services and materials:

	<u>2017</u>	<u>2016</u>
Legal fees	\$280	\$306
Direct benefit and other event expenses	<u>90</u>	<u>100</u>
	<u>\$370</u>	<u>\$406</u>

**Note 7 - Endowment Funds**

The Organization's endowment consists of the donor-restricted funds described in Note 2c and the Board Designated High Line Fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 7 - Endowment Funds (continued)**

Consistent with New York State Not-for-Profit Corporation Law, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

Balances in endowment funds for the years ended December 31, 2017 and 2016 are summarized as follows:

	<b>2017</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
Board designated endowment	\$42,370	\$ -	\$ -	\$42,370
Donor-restricted endowment	<u>-</u>	<u>1,017</u>	<u>5,781</u>	<u>6,798</u>
Endowment Funds, End of Year	<u>\$42,370</u>	<u>\$1,017</u>	<u>\$5,781</u>	<u>\$49,168</u>

  

	<b>2016</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
Board designated endowment	\$35,001	\$ -	\$ -	\$35,001
Donor-restricted endowment	<u>-</u>	<u>298</u>	<u>5,202</u>	<u>5,500</u>
Endowment Funds, End of Year	<u>\$35,001</u>	<u>\$ 298</u>	<u>\$5,202</u>	<u>\$40,501</u>

In addition to the above invested funds, permanently restricted cash at December 31, 2017 and 2016 totaled \$62 and \$577, respectively. Permanently restricted endowment pledges receivable at December 31, 2016 totaled \$2.

Changes in endowment funds for the years ended December 31, 2017 and 2016 are summarized as follows:

	<b>2017</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
Endowment funds, beginning of year	\$35,001	\$ 298	\$5,202	\$40,501
Net investment income	4,746	799	-	5,545
Transfer to fund endowment	3,223	-	579	3,802
Transfer to fund operations	<u>(600)</u>	<u>(80)</u>	<u>-</u>	<u>(680)</u>
Endowment Funds, End of Year	<u>\$42,370</u>	<u>\$1,017</u>	<u>\$5,781</u>	<u>\$49,168</u>

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 7 - Endowment Funds (continued)**

	2016			Total
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Endowment funds, beginning of year	\$29,614	\$ 119	\$5,097	\$34,830
Net investment income	1,987	179	-	2,166
Transfer to fund endowment	3,400	-	-	3,400
Contributions	-	-	105	105
Endowment Funds, End of Year	<u>\$35,001</u>	<u>\$ 298</u>	<u>\$5,202</u>	<u>\$40,501</u>

Endowment assets include board-designated funds raised through the Campaign for the High Line and donor-restricted funds that the Organization must hold in perpetuity. Under its endowment investment policy, as approved by the Organization's Finance Committee, endowment assets are invested in a manner that is intended to achieve a favorable long-term portfolio-wide target rate of return of 5% in real terms by taking a balanced approach to investing, while limiting significant exposure to risk. The Organization's investment objectives are to safeguard its assets and preserve the real purchasing power of its assets while earning investment returns that are commensurate with its risk tolerance and sufficient to meet its operational requirements.

The investment instruments that will be utilized to achieve the Organization's investments strategy are a conservatively-managed mix of money market instruments, bonds, stocks, and alternative investments including, but not limited to, commodities, currencies, hedge funds, direct real estate, and private equity funds. In order to preserve its purchasing power the Organization aims to seek returns on its investments that are in excess of the rate of inflation, taking into consideration its spending policy. It seeks to achieve growth in its assets in excess of inflation by emphasizing long-term investment fundamentals in structuring its investments. It also seeks to control risk and reduce the volatility in its portfolio through diversification.

The Organization's spending policy is consistent with its investment objective of achieving real growth on its long-term assets. In order to achieve such long-term growth, the market value used for the Organization's spending policy shall be based on the moving twelve quarter average ending market value of its long-term investments, through the third quarter of the prior fiscal year. The spending rate for the Board Designated High Line Fund shall be set at 4% of such market value or, if less, an amount needed to break even where revenues do not exceed expenses. For donor restricted funds, the spending rate for a fiscal year shall be determined annually by the Board of Directors based on market performance of the endowments and the Organization's needs for funding of operations supported by the endowments.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 8 - Agreements and Campaign Commitments**

- a - The Organization manages and maintains the High Line under the terms of a license agreement with the New York City (“City”) Department of Parks and Recreation (“Parks”) that expires on February 23, 2021, unless terminated sooner by Parks, and may be renewed at the discretion of Parks for two successive five year periods. The license agreement also provides for the use and occupancy of a newly constructed maintenance and operations facility, which the Organization moved its staff into in January 2014. The facility is owned by The City of New York, which provides occupancy to the Organization at no cost. The LEED building is situated adjacent to the southern end of the park and is designed to have direct access to the High Line, and to allow access to public restrooms and an elevator, as well as vehicular access for maintenance vehicles. The building includes a number of public functions, including a public elevator, restrooms, and a meeting room that can be used for public programs.

The Organization is responsible for maintaining and repairing the High Line by raising funds from private sources to support more than 98% of the public park’s annual budget for staffing and day-to-day maintenance and operations, and for conducting public programming and outreach to cultivate a community around the park. The City of New York is responsible for maintaining the steel and concrete bridge structure, for any repairs arising from structural defects or from defects in construction of the High Line, and for providing security and utilities for the High Line. In 2015, the Organization was responsible for 40% of the cost of security staff. As of 2016, the Organization is responsible for the full cost of approximately \$300 per annum.

Beginning January 2014, and for the term of the agreement, the Organization must spend annually a minimum of \$4,000 (the “Base Amount”) with respect to maintenance, repairs, programming, landscaping, and the renovation and rehabilitation of the facilities on the High Line. Beginning in 2018, the Base Amount will increase annually by the greater of 2.5% or the change in the Consumer Price Index (“CPI”) from the previous twelve-month period ending October 31, up to a maximum of 4%.

The Organization is required to account for separately all revenues derived from activities on the High Line, including horticulture, education, athletic, maintenance, recreation, tours, food, products, programs and concerts, which are required to be expended solely for operating, managing, maintaining and improving the High Line. As more fully described in the agreement, the Organization is also subject to various reporting and other requirements.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 8 - Agreements and Campaign Commitments (continued)**

b - In December 2013, the Organization amended its February 2011 license agreement with Parks for the operation and maintenance of food and beverage concessions at High Line locations. The license agreement has a ten-year term, renewable for a subsequent ten-year term, and provides for earlier termination in the event of termination of the license agreement for the maintenance and operation of the High Line (Note 8a). Under the agreement, the Organization is permitted to operate cafes or other food service establishments, and to enter into sublicense agreements for their operation under a transparent competition process. The agreement also permits the Organization to hold or license a limited number of special events on the High Line. Should annual revenues derived from food and beverage concessions, the sale of merchandise, and special events exceed High Line operation and maintenance costs, such excess revenue shall be paid to the City to fund its operation and maintenance obligations.

No amounts were due to the City in 2017 or 2016, per the terms of the amended agreement.

c - Under its concession agreement with Parks (Note 8b), the Organization was responsible for the costs of constructing the core and shell of a restaurant at Gansevoort Plaza. Construction was completed in 2014, with costs totaling \$3,900.

The Organization entered into a sublicense agreement with a company (the "Operator") to fit out, furnish, operate, maintain and manage the restaurant and outdoor seating area. The sublicense term is for ten years, which commenced in December 2014, and has a renewal option for an additional five year period. The agreement provides for an annual sublicense fee, based on a percentage of the Operator's gross receipts, subject to a fixed dollar minimum of \$500, increased annually by 3%. The restaurant opened to the public in January of 2015.

d - Capital funding allocations and commitments of approximately \$112,200 from the City of New York, \$20,700 from Federal sources, \$200 from New York State, and \$6,889 from private developer contributions, totaling \$139,989, have been made towards the total estimated project cost of Sections 1 and 2 of \$153,000. These amounts are not included in the Organization's net assets because they directly funded the construction costs and are not the Organization's assets.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 8 - Agreements and Campaign Commitments (continued)**

- e - The total cost of Phases 1 and 2 of the construction of Section 3 of the High Line is estimated to be \$65,000 - \$70,000. Friends of the High Line has committed \$30,000 in funding from private philanthropic contributions as part of its Campaign for the High Line towards this construction. The City of New York has dedicated a total of \$11,000 in funding. As part of the development of Hudson Yards, Related Companies and Oxford Properties Group contributed \$29,200 in funding toward the construction of the High Line at the Rail Yards, as well as additional funding for the park's ongoing maintenance. The amounts from the City and the Related Companies amounts are not included in the Organization's net assets because they directly fund the construction costs which are not the Organization's assets. Phase 1 was completed in 2014. Phase 2 is expected to be completed in early 2019. Phase 3 of the construction of Section 3 will be a future project, the timing and scope of which have not yet been determined.
- f - As outlined in the City's 2011 rezoning of the Eastern Rail Yards, the developer of the Hudson Yards is required to make an annual payment to the City for the ordinary maintenance and repair of the High Line along 30th Street between 10th and 11th Avenue. In December of 2015, the City, acting through Parks, entered into an agreement with the developer of the Hudson Yards that allows the payment to be made directly to Friends of the High Line, the Organization maintaining and operating the High Line. During the years ended December 31, 2017 and 2016, the Organization recognized revenue of \$526 and \$429, respectively.
- g - As outlined in the City's Special West Chelsea Zoning Resolution, developers with lots under the High Line between West 15th Street and 19th Streets can purchase additional floor area for their development from the City. Additionally, lots near the High Line between 19th Street and 30th Street may purchase additional floor area from the City to be transferred to a development site nearby. These funds are placed into an escrow account maintained by the City, and can be used solely for improvements to the High Line at the discretion of the Chairperson of the City Planning Commission. As of December 31, 2017, developers from several neighboring projects have contributed approximately \$17,000 into the account. As of December 31, 2017, the City and the Organization have incurred expenses of \$2,252 and \$1,012, respectively.
- h - In August 2016, the Organization entered into a fiscal sponsorship agreement for a future program to be conducted on the High Line. To defray the administrative cost of acting as fiscal sponsor, the Organization assesses a fee of 3% - 5% on each sponsorship gift received. Contributions that the grantee has yet to request disbursement for are recorded as temporarily restricted by the Organization.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 9 - Concentrations**

- a - The Organization maintains its cash and cash equivalents at one financial institution located in New York, New York.
- b - In 2017, the Organization received approximately 33% of its contributions from three donors. In 2016, the Organization received approximately 35% of its contributions from three other donors.
- c - At December 31, 2017 and 2016, approximately 77% and 80%, respectively, of unconditional promises to give represent amounts due from two donors.

**Note 10 - Commitments**

- a - During 2012, the Organization established a deferred compensation plan (under Section 457(b) of the Internal Revenue Code) for certain eligible employees. The assets of this plan remain the property of the Organization until distributed to the employee or their beneficiary at retirement or severance from employment. Total employer contributions under this plan for each of the years ended December 31, 2017 and 2016 was \$18. As of December 31, assets of \$122 (2017) and \$155 (2016) are included in the Organization's investments, and a liability in the same amount is included in the accompanying statement of financial position.
- b - The Organization maintains a 403(b) defined contribution pension plan for all eligible employees, who may elect to make voluntary contributions. In 2017, the Organization made a discretionary contribution equal to three percent of annual base compensation for those employees qualified under the plan. Total employer contributions under the plan for the years ended December 31, 2017 and 2016 were \$167 and \$150, respectively.
- c - The Organization entered into an employment contract with an officer which provides for annual base salary and incentive compensation through June 2019. In the event the Organization terminates employment without cause, severance compensation would be due in an amount of up to one year salary.
- d - The Organization is involved in various claims and legal actions arising in the ordinary course of business. Management believes that the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial condition. The City and Parks have agreed to indemnify and hold harmless the Organization from and against any and all liabilities, obligations, damages and expenses arising from maintenance obligations and other activities conducted on the High Line or the maintenance and operations facility.



**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
**(Dollars in thousands)**

**Note 11 - Related Party Transaction**

During the years ended December 31, 2017 and 2016, the Organization paid \$135 and \$169, respectively, to a company owned by a Board member for rentals and expenses related to special events.

**SUPPLEMENTARY INFORMATION**



**LUTZ AND CARR**

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**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
Friends of the High Line, Inc.

We have audited the financial statements of Friends of the High Line, Inc. as of and for the year ended December 31, 2017, and our report thereon dated April 26, 2018, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended December 31, 2017 with comparative totals for 2016 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lutz + Carr, LLP*

New York, New York  
April 26, 2018

## FRIENDS OF THE HIGH LINE, INC.

## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

(Dollars in thousands)

	Program Services			Supporting Services			2017	2016
	High Line and Construction	High Line Operations	Programming and Education	Management and General	Fundraising	Campaign for the High Line	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$ 852	\$ 4,764	\$ 1,812	\$ 1,343	\$ 1,635	\$ -	\$ 10,406	\$ 9,168
Professional fees and consulting	55	404	277	157	379	71	1,343	1,186
Legal fees (Note 6)	53	58	43	146	-	-	300	327
Audit and accounting fees	-	-	-	40	-	-	40	46
Contract labor, stipends and honoraria	-	16	109	3	6	-	134	103
High Line direct costs - construction, renovations and maintenance	13,657	-	-	-	-	-	13,657	2,368
Printing and publications	2	81	21	4	233	-	341	391
Postage and shipping	1	28	8	4	58	-	99	119
Repairs, maintenance and equipment rental	2	472	9	4	5	-	492	425
Security	-	263	7	-	26	-	296	297
Other expenses	1	6	22	26	25	-	80	59
Occupancy	1	53	17	1	17	-	89	79
Art production	-	-	599	-	-	-	599	539
Supplies	15	264	105	35	101	-	520	507
Travel and meetings	6	27	61	114	11	-	219	92
Catering and other event expenses (Note 6)	2	9	117	84	71	-	283	444
Insurance	3	16	23	7	10	-	59	70
Telephone and internet	3	40	18	6	7	-	74	81
Licenses, permits and fees	-	19	7	3	-	-	29	13
Credit card and other processing fees	-	35	2	37	41	-	115	118
Staff development and certifications	1	25	11	153	1	-	191	83
Total expenses before depreciation and amortization	14,654	6,580	3,268	2,167	2,626	71	29,366	16,515
Depreciation and amortization	6	122	32	14	35	-	209	271
Total Expenses, 2017	<u>\$ 14,660</u>	<u>\$ 6,702</u>	<u>\$ 3,300</u>	<u>\$ 2,181</u>	<u>\$ 2,661</u>	<u>\$ 71</u>	<u>\$ 29,575</u>	
Total Expenses, 2016	<u>\$ 3,178</u>	<u>\$ 6,372</u>	<u>\$ 2,680</u>	<u>\$ 1,543</u>	<u>\$ 2,438</u>	<u>\$ 575</u>		<u>\$ 16,786</u>

See independent auditors' report on supplementary information.