

Preliminary Draft Concept

PROJECT PROPOSAL

# **PLaY-stallation: A Fresh Welcome to Marbles & Moore Square**

SUBMITTED JUNE 15, 2016 | BY MARBLES KIDS MUSEUM

FY2016 Major Facilities Capital Projects Funding Request  
RFP #16-045

Delivered to:  
Wake County c/o Tom Wester  
Wake County Finance-Procurement Services  
Wake County Justice Center – 2<sup>nd</sup> Floor, STE 2900



Marbles Kids Museum  
201 E. Hargett Street  
Raleigh, NC 27601

June 15, 2016

Tom Wester  
Wake County Finance – Procurement Services  
Wake County Justice Center – 2<sup>nd</sup> Floor, Suite 2900  
301 S. McDowell Street  
Raleigh, NC 27601

Dear Tom;

On behalf of the staff, Board of Directors and community partners of Marbles Kids Museum, I submit herewith a proposal for support of *PLaY-stallation: A Fresh Welcome to Marbles and Moore Square*, a public art and open space project that will transform Marbles' most visible campus boundary into a colorful play beacon that inspires residents and visitors as they enter downtown along Blount Street.

Marbles Kids Museum requests Major Facilities Capital Projects funding in the amount of \$100,000 toward a total estimated project cost of \$351,000, for the period August 15, 2016 – December 31, 2016.

Thank you for your consideration of our proposal.

Sincerely,

Sally Edwards  
President

**Marbles Kids Museum**

***Play-stallation: A Fresh Welcome to Marbles and Moore Square***

<b>TAB</b>	<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
1	Executive Summary	3
2	Scope of Project	4-8
3	Project Budget and Funding Sources	9
4	Project Timeline	10
5	Project Operating Plan	11
6	Estimates on Visitors	12
7	Organizational Information	13-15
8	Attachments	

## Marbles Kids Museum

### *Play-stallation: A Fresh Welcome to Marbles and Moore Square*

#### EXECUTIVE SUMMARY

##### **Project Description, Scope and Cost**

Marbles Kids Museum requests a \$100,000 Major Facilities Capital Project grant from Wake County as part of PLaY-stallation, a \$351,000 public art and open space project to transform our most visible campus boundary into a colorful play beacon inspiring residents and visitors as they enter downtown along Blount Street.

We are confident that this capital investment will create major positive change along the busy Blount Street corridor, contributing significantly to the vibrant and friendly image our community promotes and work hard to deliver. This small but transformative project will improve first impressions and leave lasting positive memories, important factors in building our destination brand and broadcasting our high quality of life.

From blight to beauty, Marbles PLaY-stallation will turn a derelict auto shop parcel on a busy downtown corner into an uplifting, green and positive passageway for residents and visitors who are on their way...to school, to work, to play. Our dream for this transformation is to provide a real and symbolic place to play, inviting and inspiring residents and visitors alike to stay and play in Wake County.

##### **Project Team Responsibilities**

Marbles experienced staff will be responsible for leading the coordination and collaboration of design and engineering professionals, artists and contractors to refine and implement a transformation plan that surprises, delights and inspires downtown visitors while meeting the designated timeline and budget and complying with local building and historic codes.

##### **Uniqueness**

The mission, location and popularity of Marbles make us uniquely qualified to present to the community an iconic PLaY-stallation that has the potential to transform the visitor experience in downtown Raleigh.

##### **Primary Engagement Contact**

Emily Bruce, VP of Development, Marbles Kids Museum  
919-857-1074 | 919-834-3516 (fax) | [ebruce@marbleskidsmuseum.org](mailto:ebruce@marbleskidsmuseum.org)



#### **OUR MISSION**

MARBLES SPARKS *imagination,*  
*discovery* AND *learning*  
THROUGH *PLaY.*

## PROJECT SCOPE



Since opening in 2007, Marbles Kids Museum and IMAX Theatre has become a world-class, award-winning children’s museum destination that attracts visitors from across the state and across the globe to Wake County each year. Our campus acts as a beacon in Wake County for family visitors, serving as a community anchor for those who live here and as a magnet for visitors from across the country who are enticed to visit after seeing the Triangle appear on top 10 lists year after year. Marbles has now become so highly-regarded that we regularly hear anecdotes about how our museum is used as a recruitment tool for potential employees as well as a “can’t miss” resource for families in town for conventions, sporting events and festivals.

In 2014, Marbles assisted in hosting visitors from all over the world at the Association of Science and Technology Centers, and Marbles is currently being recruited to host the Association of Children’s Museums conference by 2019. These convention visitors, not to mention the more than 630,000 guests that visit our campus each year have a memorable experience while in Wake County, and spread the word about their positive interactions with our community when they get home.

To make an even greater impact, we request capital investment from Wake County in 2016 for PLaY-stallation, a project designed transform a parcel on our campus housing a dilapidated and abandoned auto shop into an iconic play corner that sparks and inspires play for the 16,485 residents and visitors who pass it by each day. In addition, Marbles proposes to activate the streetscape along Blount Street from Morgan to Hargett by transforming two overgrown commercial planters into interactive, colorful and engaging landmarks for visitors from across the state and country. This high impact, low cost project will transform a major gateway into downtown.

Last year, Marbles Kids Museum and IMAX Theatre attracted more than 633,000 visitors to downtown Raleigh. Marbles visitors came from all 100 counties in North Carolina, from all 50 states and numerous foreign countries. For the many thousands of visitors who entered downtown from southbound, one-way Blount Street, their first impression of Marbles and the Moore Square District was one of asphalt, mismatched brick and scruffy grass. Few visitors realize they have arrived at a world-class children's museum and NC's only giant screen IMAX Theatre until they turn the corner to the front of the building. The energy and vibrancy of Marbles is hidden by a beige brick façade designed for a predecessor museum when downtown was considered less welcoming than it is today.

We are confident that transforming the prominent Blount and Morgan Street corner and Blount Street boundary will contribute to the vibrant and friendly image our community promotes and works hard to deliver. From blight to beauty, Marbles Blount Street play enhancement project will create an uplifting, green and positive passageway for residents and visitors on their way...to school, to work, to play.

Since tapping into reserve funds to purchase the former Bradley Speedometer Shop during a tax foreclosure auction process a few years ago, Marbles has been unable to invest in upgrades to the property. First, we have channeled all funds into expanding interior exhibits and outreach programs to meet the needs of our rapidly growing audience. Second, we were awaiting a master plan study to determine the highest and best use of the property in the context of overall expansion opportunities to address overcrowding. Now, on the heels of master planning, five factors have converged that highlight the demand/unmet need for this high-impact, low-cost enhancement of Blount Street prior to any major capital expansion projects:

1. Concrete feedback from the community during master planning indicates that enhancing the exterior of the museum to showcase our mission and vibrancy is a top priority.
2. Long-term, the parcel can accommodate a multi-story building, however because its location on campus lacks adjacency to other expansion opportunities, developing this parcel is last in line of phased expansion opportunities. Therefore, we have the opportunity and need for immediate action to impact visibility, clean-up and enhance the parcel while significant capital investments are directed to other parts of the Marbles campus.
3. Moore Square Park renovations will barricade the only current green space around Marbles beginning in Fall 2016. The immediate impact of our proposed Blount St enhancement project will be a gift to the City and County at a time when visitors might otherwise be disappointed to encounter construction.
4. The alignment of several private funding opportunities for outdoor play and campus beautification has hastened the timing of this project, moving it to the top of the list of capital projects to seize these time specific grant opportunities. However, because these funding opportunities are smaller investments of \$1,000-\$5,000 locally and \$25,000-\$50,000 nationally, without supplemental funding from Wake County for demolition and environmental remediation, this project will be unable to move forward.

5. On a daily basis, 16,485 residents and visitors pass this blighted parcel of land each day. This high impact, low cost project will provide a vibrant, friendly welcome to the Moore Square District and a healthy, accessible recreational experience for Wake County residents and visitors.

The proposed PLaY-stallation requires capital investment for the following activities:

- Architectural design, engineering and permitting
- Demolition of the former Bradley's Speedometer Shop at the corner of Morgan and Blount Streets
- Addressing contaminated soil appropriately in alignment with the 2013 environmental site assessment for 201 S. Blount Street corner speedometer shop lot
- Constructing a wall to the east for modest containment along Morgan and Blount streets
- Resurfacing the corner of Morgan and Blount for absorption of water and creation of a good play surface
- Installing a colorful, active mural that serves as a vibrant landmark and beacon for family friendly play
- Installation of an iconic PLaY sculpture that does triple duty as public art, climber for kids and uplifting reminder to make play part of the every day
- Providing modest seating for visitors
- Removing large shrubbery in two Blount Street planters
- Installation of colorful vinyl on vertical aluminum panels along Blount Street
- Repairing and repainting rotten windows along Blount Street façade
- Installing colorful and engaging play landmarks along Blount Street façade to excite and delight all who pass by

With funding from Wake County, Marbles will make significant strides in transforming the exterior of our campus to reflect the vibrant and playful mission that makes us one of the top destinations in NC for families. This project will turn inside-out the creative indoor playscapes that Marbles is known for, adding color to a drab corner in downtown and creating a "can't miss" destination that contributes to the resident and visitor experience in Wake County. Colorful and playful installations that marry art and play will replace overgrown shrubs along Blount Street, just as green space, an iconic PLaY-stallation and a vibrant mural will replace broken asphalt and a derelict building at the corner. With a mission to spark imagination, discovery and learning through play and goals to foster creativity and energize the human spirit, our dream for this transformation is to provide a real and symbolic place to play, inviting and inspiring residents and visitors alike to stay and play in Wake County.

Marbles has a successful track record of leveraging and managing public and private investments to meet the needs of Wake County's residents and visitors. This project will effectively address the community's needs to provide a friendly welcome to the Moore Square District, to provide a healthy and creative recreation experience for Wake County residents and visitors, and to reflect Marbles' vibrant and playful mission on our campus exterior. With capital investment from Wake County, we anticipate no delays in the project's execution. Major project partners are secured. Smaller grants to support the art installations have been submitted, with results expected in July. These grants are designed to be used for shovel-ready projects that will be implemented in Fall 2016. Although these grants contribute, the project's overall viability does not hinge on receiving them.

Marbles will work closely with local partners including Clearscapes Architecture + Art, Office of Raleigh Arts, Urban Design Center, Flight Fund, Raleigh Murals Project, Advocates for Health in Action, EHG, and Barnhill Contracting Company to continue refining design and construction plans for the project.

Nationally, we are working with KaBOOM and the Association of Children's Museums to base our approach to this project on the well-researched "playability" model for urban development. Defined by the national non-profit KaBOOM simply as the extent to which a city, county or state makes it easy for all kids to get balanced and active play, playability is a kid and family focused pillar of urban development that will allow cities to address the behavioral barriers of play. The three components of Playability are to:

**Foster Play Everywhere**

Play should be integrated into dead time and unexpected places such as clinics, bus stops, and sidewalks. By fostering play everywhere, play becomes the easy choice.

**Make cities family-friendly**

Make play more inclusive and appealing to the whole family, across all generations.

**Create the corner store of play**

Create mini play destinations "around the corner," for a quick and convenient play opportunity.

By adding to the playability of Wake County, this project aligns directly with the following Wake County Board of Commissioner Goals:

- Community Health Objective 2, Initiative 3: Continue to advance Wake County Healthiest Capital County Initiative. This project makes Marbles play accessible to all children by bringing the play outdoors to the public space (HCCI priority area: children in poverty). By promoting walkable streets and inspiring physical play, the project also inspires adults to play and move more (HCCI priority area: adult obesity and physical inactivity)
- Education Objective 1, Initiative 4: Support opportunities to enhance arts education through integration with partner agencies and/or direct county investment. The featured mural prominently displayed at the gateway to the Moore Square district, serves as a high profile arts and culture investment.
- People, Arts and Culture Objective 1, Initiative 2: Foster collaboration with and within the arts and cultural agencies to increase awareness of and increase opportunities for artistic and cultural activities. An investment in this project leverages collaboration among multiple non-profits, private businesses and local government agencies including the City of Raleigh and Wake County.
- People, Arts and Culture Objective 2, Initiative 2: Evaluate County-owned open space property for passive recreational activities or public access, while maintaining the intent and goals of the open space program. The project contributes to the rejuvenation of the Moore Square District and surrounding neighborhoods by transforming a derelict lot into an inspiring public space that invites public access and passive recreation. In addition, the timing of this project in Fall 2016, will coincide with the lengthy closure of Moore Square Park during its renovation and will provide urban green space in our neighborhood while the park is closed.

This project will have both tangible and intangible results, some of which will be easily observed and measured.

1. More people (residents and visitors) will visit this key gateway to the Moore Square District.
  - Track the number of people interacting with the space pre and post installation.
2. People (residents and visitors) will exhibit more positive feelings toward the Moore Square District as a place to work, live and visit.
  - Conduct pre and post surveys (surveying people who live, work and visit the Moore Square district) to measure the project's impact on these measures of vibrancy in the Moore Square district\*

- 1 Is the neighborhood cleaner?
- 2 Does the neighborhood feel safer?
- 3 Is the neighborhood more attractive?
- 4 Are there fewer vacancies?
- 5 Are there more people on the sidewalks?
- 6 Is there a popular new outdoor gathering place?
- 7 Is there a popular new indoor gathering place?
- 8 Is there new evidence of arts activity?
- 9 Has the local press reported on it positively?
- 10 Do people in the neighborhood generally agree that the neighborhood is getting better?

*\*ArtPlace, the leading funder of creative Placemaking projects nationwide, released these ten vibrancy indicators as guides for their creative placemaking grantees. "ArtPlace's theory of change views community vibrancy through arts and culture as a strategy toward economic development..." ArtPlace America (ArtPlace) is a ten-year collaboration among a number of foundations, federal agencies, and financial institutions that works to position arts and culture as a core sector of comprehensive community planning and development in order to help strengthen the social, physical, and economic fabric of communities. Partners include The Ford Foundation, The US Dept of Housing and Urban Development and Deutsche Bank.*

## PROJECT BUDGET AND FUNDING SOURCES

Source of Funding	Public/Private	Amount	Pending/Confirmed	Year Committed
Corporate and Individual Exhibit	Private	\$125,000	Confirmed	2016
Corporate and Individual Exhibit	Private	\$40,000	Pending	NA
Donated portion of Design	Private	\$10,000	Confirmed	2016
KaBOOM Play Everywhere Grant	Private	\$50,000	Pending	NA
Flight Fund Public Art Grant	Private	\$1,000	Pending	NA
Donated portion of Demolition	Private	\$10,000	Pending	NA
Donated portion of Landscaping	Private	\$10,000	Pending	NA
Wake County Major Facilities Grant	Public	\$100,000	Pending	NA
City of Raleigh Façade Program	Public	\$5,000	Pending	NA
<b>TOTAL</b>		<b>\$351,000</b>		
<b>Ratio of Private to Public Investment</b>		<b>2.4:1</b>		

Estimated Expenses	Amount	Timeframe	Notes
Overall Planning, Design & Permitting	\$25,000	MAY-JUL 2016	Underway
CORNER LOT			
Auto Shop Demolition	\$25,000	AUG 2016	
Site Prep	\$60,000	SEP 2016	Soil Remediation
Wall Construction	\$25,000	SEP-OCT 2016	
Resurfacing	\$30,000	SEP-OCT 2016	
Landscaping	\$25,000	OCT-NOV 2016	
PLaY sculpture fabrication and install	\$53,000	OCT-NOV 2016	
Mural / Graphics	\$25,000	OCT-NOV 2016	
BLOUNT STREETScape ACTIVATION			
Plant removal	\$2,000	SEP 2016	
Play Landmarks Fabrication and Install	\$40,000	SEP-NOV 2016	
Vinyl printing and installation	\$6,000	OCT 2016	
Contingency (10%)	\$30,000	JUN-DEC 2016	
Other: signage and promotions	\$5,000	AUG-DEC 2016	
<b>TOTAL</b>	<b>\$351,000</b>		

*Cost estimates prepared with support from committed Marbles partners in the fields of general contracting, architecture, and environmental remediation. Art installation estimates prepared with help from downtown nonprofit arts leaders and former Marbles artists in residence. Marbles will work closely with Wake County and Clearscapes Architecture to determine what if any impact this project will have on existing infrastructure and work to make sure it meets and exceeds current standards.*

## PROJECT TIMELINE

<b>Project Action</b>	<b>Start Date</b>	<b>Finish Date</b>
Environmental Assessment	March 2013	Complete
Land/Site Acquisition	2013	2013
Study and Analysis of Project	May 2016	July 2016
Architectural/Engineering Studies	May 2016	July
Permitting and COA*	July 2016	August 2016
Demolition and Site Prep	August 2016	September 2016
Construction and Resurfacing	September 2016	October 2016
Landscaping and Art Installation	October 2016	November 2016

*\*Work will require a building permit issued by the City of Raleigh and a Certificate of Appropriateness by the Raleigh Historic Development Commission.*

**PROJECT OPERATING PLAN**

Please see specific attachments for the following:

- Attachment A – Annual operating plan
- Attachment A2 – 10-Year operating budget showing anticipated revenues and expenditures
- Attachment B – IRS Form 990
- Attachment C – Marbles Audit Year End June 30, 2015
- Attachment D – Marbles No Material Weakness Letter

## ESTIMATES ON VISITORS

In calendar year 2015, Marbles Kids Museum attracted more than 633,000 visitors to our museum and IMAX theatre, generating more than \$44 million in economic impact for Wake County through food and beverage spending and overnight stays in local hotels, using the formula provided. Taxes collected from these visitors are estimated to be \$1,071,769.

Projecting conservatively that Marbles visitation will continue to grow at a modest rate of 2% per year, we calculate visitors and economic impact in the next 7 years to trend as follows:

<b>Calendar Year</b>	<b>Campus Visitation</b>	<b>F&amp;B Spending</b>	<b>Room Spending</b>	<b>ROI Taxes Collected</b>
<i>2015 Actual</i>	<i>633,710</i>	<i>\$31,685,500</i>	<i>\$12,582,312</i>	<i>\$1,071,794</i>
2016 Estimated	646,384	\$32,391,210	\$12,833,958	\$1,093,230
2017 Estimated	659,312	\$32,965,594	\$13,090,637	\$1,115,094
2018 Estimated	672,498	\$33,624,906	\$13,352,450	\$1,137,396
2019 Estimated	685,948	\$34,297,404	\$13,619,499	\$1,160,144
2020 Estimated	699,667	\$34,983,352	\$13,891,889	\$1,183,347
2021 Estimated	713,660	\$35,683,019	\$14,169,727	\$1,207,014
2022 Estimated	727,934	\$36,396,680	\$14,453,122	\$1,231,154
<b>TOTAL 2016-2022</b>	<b>4,805,403</b>	<b>\$240,270,166</b>	<b>\$95,411,283</b>	<b>\$8,127,379</b>

## ORGANIZATIONAL INFORMATION

Marbles Kids Museum opened our doors on September 29, 2007. We welcomed more than 10,000 guests that day and have never looked back, with steady growth in visitation and ever-expanding program impact. Initially, an outpouring of community support and desire for a new children’s museum led to an inspired transformation of the interior of the former Exploris space into a vibrant destination for hands-on, minds-on play experiences. Today, Marbles ranks among the top family destinations in North Carolina and is recognized nationally for our bold approach to play-based learning. Last year, we welcomed more than 633,000 visitors to our campus, representing all 100 NC counties, all 50 states and numerous foreign countries. In our first eight years, Marbles has served 4.5 million visitors.

Marbles is led by a Senior Leadership Team of 12 dedicated professionals with well-rounded backgrounds and capabilities. This group meets regularly to discuss the full extent of museum operations, including program offerings, administrative policies and procedures, strategic planning, budgeting and evaluation. The Senior Leadership Team is responsible for overseeing an annual budget of approximately \$7 million. Executive officers on this team include Sally Edwards, President/CEO, Tim Hazlehurst, Vice President of Operations, Pam Hartley, Vice President of Play Initiatives, Britt Thomas, Vice President of Team & Guest Relations and Emily Bruce, Vice President of Development.

As a 501(c)3 nonprofit organization, Marbles is governed by a diverse and experienced Board of Directors. Our 29-member Board is actively engaged in supporting the organization and regularly provides feedback and perspectives that help us remain focused, driven and innovative in achieving our goals and meeting the expanding needs of our community. Four standing Board committees – Development, Facilities Planning, Finance, and Public Relations – serve as advisory groups for departments within the organization. The full Board meets bi-monthly, with committee work sessions held in the interim months. *Please see Attachment E for a full list of the FY15-16 Marbles Board of Directors.*

To better accommodate our growing visitor base and prepare for the future, Marbles hired global design firm Gensler in 2015 to engage our community in the development of a 10-year Facilities Master Plan. The process involved more than 330 community stakeholders – visitors, educators, parents, children, board and staff members, corporate and government leaders – and resulted in a road map for progressive, phased expansion aligned with strategic priorities.

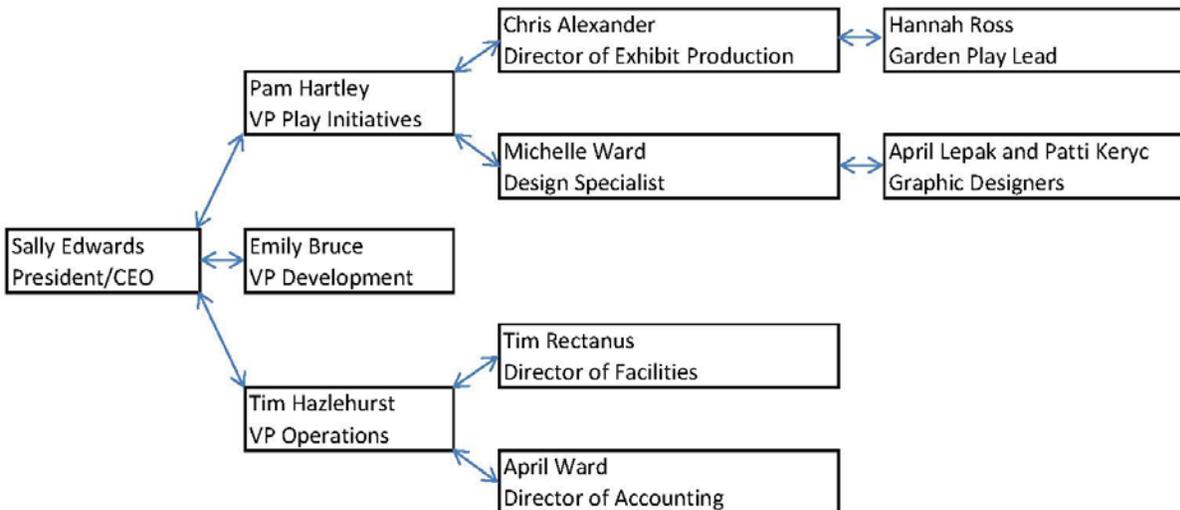
### Team Experience

The leadership team responsible for the execution of PLaY-stallation has been intact since the founding of Marbles Kids Museum in 2007. All team members have involved in the design, fabrication, funding and administration of numerous exhibit and building projects. The full team project staff team includes:

Executives	Sally Edwards, President; Tim Hazlehurst, Vice President of Operations; and Pam Hartley, Vice President of Play Initiatives
Senior Leaders	Chris Alexander, Director of Exhibit Production and Tim Rectanus, Director of Facilities
Team Members	Michelle Ward, Design Specialist; April Lepak and Patti Keryck, Graphic Designers; and Hannah Ross, Garden Play Lead

Administrative support will be provided by Emily Bruce, Vice President of Development and April Ward, Director of Accounting.

## Marbles *Play-stallation* Project Team Structure



## Success with Similar Projects

Beginning with the merger of Exploris and Playspace in 2007, Marbles has repeatedly demonstrated creativity and resourcefulness in working collaboratively with community partners and Wake County to transform our space to meet the needs of our visitors through design and building projects.

With just 29 days between the closing of Exploris and the grand reopening of Marbles, we relied on and directed the generosity and ingenuity of architects, contractors and engineers to transform the museum with paint, special projects and signature exhibits, from a realistic pirate ship to a pretend grocery store. Every year since, we have embarked on new projects to enhance our campus – from an urban garden fort to a news helicopter and make-believe smart grid power center. Now, fewer than 9 years since we opened, Marbles has more than quadrupled annual visitation to our campus, bringing to life a block of downtown previously perceived as uninviting.

Over the years, Marbles has attracted more than \$7.2 million in private investments to refresh, enhance and transform our space to meet the needs of kids and their adults. The following are three recent projects that demonstrate our resourceful and collaborative approach to leverage investment in capital projects:

1. In 2012, Marbles attracted a \$1 million private investment from ABB North America to transform an outdoor terrace into Kid Grid, an interactive smart grid exhibit for children. This investment allowed Marbles to expand our physical building for the first time, requiring significant partnership and coordination with Wake County to enclose the terrace and transform it into a glass box that could house an exhibit and connect the other second floor activities. Marbles worked closely with Wake County, Clearscapes, Clancy & Theys and multiple other partners to ensure the timely, affordable and safe construction of Kid Grid.
2. In 2013, to better serve our visitors and act on the demand for healthy, kid-friendly food options, Marbles renovated and expanded a former dark and cramped eating space into a spacious and attractive café. Thanks to generous in-kind partnerships with Barnhill Contracting

Company and numerous high quality subcontractors along with dogged leadership from our team, we were able to transform this space at an estimated savings of 40%. New store front, an expanded seating area and significant kitchen upgrades created a space capable of providing a comfortable dining experience for our visitors.

3. In 2015, Marbles was awarded a \$215,000 grant from MetLife Foundation to transform an underused interior stairwell into a musical “piano stairs” experience that has successfully diverted crowds from the main stairwell, encouraged more visitors to actively take the stairs rather than the elevator, and delighted visitors of all ages with melodic sounds and inspiring graphics. This project required close partnership and coordination between our team and Wake County, Clearscapes Architecture, Sigma Engineering, Mid-Atlantic Specialties and others to create a magical visitor experience that meets all local building and safety code requirements.

### **Letters of Support**

Enclosed with attachments (Attachments F and G) please find two letters supporting the PLaY-stallation project. Representing two of our corporate and community partners, Geoffrey Lang, VP MetLife in Cary and Mary Poole, President & CEO of Artspace in downtown Raleigh have lent their voices in support of and excitement for this project.

**Marbles Kids Museum**  
**ANNUAL OPERATING BUDGET**  
**WAKE COUNTY FUNDING PROPOSAL**  
**For Fiscal Year 2016-2017**

	FY17 Draft Budget	Wake County Funding Request	% WC Funding	WC Funding as % OPEX	FY15 Actuals *	FY16 Projections †
<b>REVENUES</b>						
<u>CONTRIBUTED REVENUE</u>						
WAKE COUNTY	650,000	650,000	100%	10%	650,000	650,000
OTHER GOVERNMENT FUNDING	100,000				97,394	198,762
INDIVIDUAL & CORPORATE	1,055,000				1,015,551	958,558
FOUNDATION GRANTS	280,000				63,221	266,134
<b>TOTAL CONTRIBUTED REVENUE</b>	<b>2,085,000</b>	<b>650,000</b>			<b>1,826,166</b>	<b>2,073,454</b>
<u>EARNED REVENUE</u>						
MUSEUM ADMISSIONS & PROGRAMS	2,850,000				2,642,387	2,793,333
IMAX THEATRE	1,856,000				1,697,527	1,827,671
FACILITY RENTALS & RESTAURANT	282,500				268,460	274,587
INTEREST INCOME & OTHER	16,500				15,653	16,722
<b>TOTAL EARNED REVENUE</b>	<b>5,005,000</b>	-			<b>4,624,027</b>	<b>4,912,313</b>
<b>TOTAL REVENUES</b>	<b>7,090,000</b>	<b>650,000</b>			<b>6,450,193</b>	<b>6,985,767</b>
<b>EXPENSES</b>						
<u>OPERATING EXPENSES</u>						
MUSEUM PROGRAMS & EXHIBITS	2,915,000	566,600	87%	9%	2,504,979	2,843,604
COMMUNITY OUTREACH & COMMUNICATIONS	417,000	83,400	13%	1%	324,017	409,139
IMAX THEATRE	1,797,000	-			1,624,823	1,761,812
FUNDRAISING	371,000	-			306,597	353,151
FACILITY RENTALS & RESTAURANT	167,000	-			146,892	159,275
TECHNOLOGY & FACILITIES	352,000	-			301,151	344,634
GENERAL ADMINISTRATION	545,000	-			519,421	533,759
<b>TOTAL OPERATING EXPENSES</b>	<b>6,564,000</b>	<b>650,000</b>	<b>100%</b>	<b>10%</b>	<b>5,727,880</b>	<b>6,405,374</b>
<b>OPERATING SURPLUS/&lt;DEFICIT&gt;</b>	<b>526,000</b>	-			<b>722,313</b>	<b>580,393</b>
<u>NON-OPERATING ACTIVITY</u>						
DEBT SERVICE	197,000	-			540,282	196,749
FIXED ASSET PURCHASES	248,000	-			259,463	233,677
<b>TOTAL NON-OPERATING ACTIVITY</b>	<b>445,000</b>	-			<b>799,745</b>	<b>430,427</b>
<b>OPERATING AND CAPITAL REPLACEMENT RESERVE FUND</b>	<b>81,000</b>	-			<b>71,825</b>	<b>79,385</b>
<b>TOTAL OPERATING SURPLUS / &lt;DEFICIT&gt;</b>	<b>(0)</b>	-			<b>(149,257)</b>	<b>70,582</b>

\* From FY15 Audited Financials minus in-kind revenue, in-kind expenses, and depreciation. Deficit is due to the retirement of debt which was partially paid with board approved reserved funds.

† Actuals from July 2015 to February 2016 plus projections from March 2016 to June 2016.



# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

JUNE 30, 2015

<b>Prepared for</b>	MARBLES KIDS MUSEUM 201 EAST HARGETT STREET RALEIGH, NC 27601
<b>Prepared by</b>	BLACKMAN & SLOOP, CPAS, P.A. 1414 RALEIGH RD, SUITE 300 CHAPEL HILL, NC 27517
<b>Amount due or refund</b>	NOT APPLICABLE
<b>Make check payable to</b>	NOT APPLICABLE
<b>Mail tax return and check (if applicable) to</b>	NOT APPLICABLE
<b>Return must be mailed on or before</b>	NOT APPLICABLE
<b>Special Instructions</b>	THIS RETURN HAS BEEN PREPARED FOR ELECTRONIC FILING. IF YOU WISH TO HAVE IT TRANSMITTED ELECTRONICALLY TO THE IRS, PLEASE SIGN, DATE, AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL THEN SUBMIT THE ELECTRONIC RETURN TO THE IRS. DO NOT MAIL A PAPER COPY OF THE RETURN TO THE IRS. RETURN FORM 8879-EO TO US BY FEBRUARY 16, 2016.

# TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

JUNE 30, 2015

<b>Prepared for</b>	MARBLES KIDS MUSEUM 201 EAST HARGETT STREET RALEIGH, NC 27601
<b>Prepared by</b>	BLACKMAN & SLOOP, CPAS, P.A. 1414 RALEIGH RD, SUITE 300 CHAPEL HILL, NC 27517
<b>Amount due or refund</b>	NO AMOUNT IS DUE.
<b>Make check payable to</b>	NO AMOUNT IS DUE.
<b>Mail tax return and check (if applicable) to</b>	DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE CENTER OGDEN, UT 84201-0027
<b>Return must be mailed on or before</b>	MAY 16, 2016
<b>Special Instructions</b>	THE RETURN SHOULD BE SIGNED AND DATED.

EXTENDED TO FEBRUARY 16, 2016

OMB No. 1545-0047

Form **990**

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

**2014**  
Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A** For the 2014 calendar year, or tax year beginning **JUL 1, 2014** and ending **JUN 30, 2015**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>MARBLES KIDS MUSEUM</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>201 EAST HARGETT STREET</b> City or town, state or province, country, and ZIP or foreign postal code <b>RALEIGH, NC 27601</b> <b>F</b> Name and address of principal officer: <b>SALLY EDWARDS</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>58-1647538</b> <b>E</b> Telephone number <b>919-857-1057</b> <b>G</b> Gross receipts \$ <b>6,777,596.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.MARBLESKIDSMUSEUM.ORG</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1985</b> <b>M</b> State of legal domicile: <b>NC</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>MARBLES KIDS MUSEUM INSPIRES IMAGINATION, DISCOVERY AND LEARNING THROUGH EXTRAORDINARY ADVENTURES</b> <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. <b>3</b> Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> <b>29</b> <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> <b>29</b> <b>5</b> Total number of individuals employed in calendar year 2014 (Part V, line 2a) ..... <b>5</b> <b>194</b> <b>6</b> Total number of volunteers (estimate if necessary) ..... <b>6</b> <b>602</b> <b>7 a</b> Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> <b>1,202,915.</b> <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 ..... <b>7b</b> <b>-157,796.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) ..... <b>1,864,595.</b> <b>Prior Year</b> <b>2,376,920.</b> <b>Current Year</b> <b>9</b> Program service revenue (Part VIII, line 2g) ..... <b>3,866,676.</b> <b>3,820,649.</b> <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>-23,658.</b> <b>-14,104.</b> <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>266,739.</b> <b>246,542.</b> <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) ..... <b>5,974,352.</b> <b>6,430,007.</b>	
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>0.</b> <b>0.</b> <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>0.</b> <b>0.</b> <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>3,223,724.</b> <b>3,371,617.</b> <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>0.</b> <b>0.</b> <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>234,641.</b> <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>2,607,101.</b> <b>2,857,504.</b> <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>5,830,825.</b> <b>6,229,121.</b> <b>19</b> Revenue less expenses. Subtract line 18 from line 12 ..... <b>143,527.</b> <b>200,886.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) ..... <b>4,834,703.</b> <b>Beginning of Current Year</b> <b>15,685,328.</b> <b>End of Year</b> <b>21</b> Total liabilities (Part X, line 26) ..... <b>2,043,975.</b> <b>1,631,286.</b> <b>22</b> Net assets or fund balances. Subtract line 21 from line 20 ..... <b>2,790,728.</b> <b>14,054,042.</b>	

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>SALLY EDWARDS, PRESIDENT</b> Type or print name and title	Date
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>ROBIN MCDUFFIE</b> Preparer's signature <i>Robin McDuffie</i> Date <b>2/15/16</b> <b>ROBIN MCDUFFIE</b> Firm's name ▶ <b>BLACKMAN &amp; SLOOP, CPAS, P.A.</b> Firm's address ▶ <b>1414 RALEIGH RD, SUITE 300</b> <b>CHAPEL HILL, NC 27517</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P00098611</b> Firm's EIN ▶ <b>56-1304727</b> Phone no. <b>(919) 942-8700</b>

May the IRS discuss this return with the preparer shown above? (see instructions) .....  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: OUR MISSION IS TO INSPIRE IMAGINATION, DISCOVERY, AND LEARNING THROUGH EXTRAORDINARY ADVENTURES IN PLAY AND LARGER-THAN-LIFE IMAX EXPERIENCES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 5,008,003. including grants of \$ ) (Revenue \$ 2,890,673.) PROGRAM ACCOMPLISHMENTS FOR FY2014-2015 - THE 2014-2015 FISCAL YEAR WAS PRODUCTIVE, EVENTFUL AND PURPOSEFUL FOR MARBLES KIDS MUSEUM. OUR MISSION IS TO INSPIRE IMAGINATION, DISCOVERY AND LEARNING THROUGH EXTRAORDINARY ADVENTURES IN PLAY AND LARGER-THAN-LIFE IMAX EXPERIENCES. IT IS THROUGH PLAY THAT CHILDREN LEARN BEST, DISCOVERING WHO THEY ARE, HOW TO SOLVE PROBLEMS, EXPRESS FEELINGS AND SHARE IDEAS. IN SUPPORT OF OUR MISSION, MARBLES DELIVERS POWERFUL PLAY EXPERIENCES ALIGNED WITH FIVE CORE CONTENT INITIATIVES: CREATE/INNOVATE, BE HEALTHY, BE ACTIVE, BUILD YOUR BRAIN, CONNECT & COMMUNICATE, AND GROW UP GREEN. CONTENT IS DELIVERED THROUGH INNOVATIVE AND INTERACTIVE EXHIBITS, DAILY EDUCATIONAL PROGRAMS, FIELD TRIPS, CAMPS, SPECIAL ACCESS PROGRAMS AND GIANT SCREEN IMAX FILMS. MARBLES KIDS MUSEUM SERVED OVER 655,000

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 5,008,003.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i> .....	<input type="checkbox"/>	<input type="checkbox"/>

**Part IV Checklist of Required Schedules** (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....	24b	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....	24d	
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....	25a	X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....	25b	X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....	26	X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....	27	X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	28a	X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	28b	X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....	33	X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	34	X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	35a	X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	35b	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	36	X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....	37	X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	38	X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Main form body containing questions 1a through 14b with input fields and Yes/No columns.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a	29	
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent		
	1b	29	
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
<b>6</b>	Did the organization have members or stockholders?	6	X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	8a	X
<b>b</b>	Each committee with authority to act on behalf of the governing body?	8b	X
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?	10a	X
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
<b>13</b>	Did the organization have a written whistleblower policy?	13	X
<b>14</b>	Did the organization have a written document retention and destruction policy?	14	X
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	15a	X
<b>b</b>	Other officers or key employees of the organization	15b	X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **NC**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **APRIL WARD - 919-857-1057**  
**201 EAST HARGETT STREET, RALEIGH, NC 27601**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SHARAT NAGARAJ CHAIR	1.00 0.00	X		X				0.	0.	0.
(2) STEVE PRETZER VICE CHAIR	1.00 0.00	X		X				0.	0.	0.
(3) HENRY WHITE TREASURER	1.00 0.00	X		X				0.	0.	0.
(4) TRACY SANDERS SECRETARY, PR AND MARKETING CHAIR	1.00 0.00	X		X				0.	0.	0.
(5) LAURA HULSEY DEVELOPMENT CHAIR	1.00 0.00	X		X				0.	0.	0.
(6) NATE SPILKER FACILITIES PLANNING CHAIR	1.00 0.00	X		X				0.	0.	0.
(7) PATTI BARTIS IMMEDIATE PAST CHAIR	1.00 0.00	X		X				0.	0.	0.
(8) AUSTIN BARNHILL DIRECTOR	1.00 0.00	X						0.	0.	0.
(9) CHRIS BINGHAM DIRECTOR	1.00 0.00	X						0.	0.	0.
(10) HUNTER BUXTON DIRECTOR	1.00 0.00	X						0.	0.	0.
(11) ADRIENNE COLE DIRECTOR	1.00 0.00	X						0.	0.	0.
(12) JEFF DAVIS DIRECTOR	1.00 0.00	X						0.	0.	0.
(13) DOUG DRIVER DIRECTOR	1.00 0.00	X						0.	0.	0.
(14) SUSAN W. ERLINGER DIRECTOR	1.00 0.00	X						0.	0.	0.
(15) ASA FLEMING DIRECTOR	1.00 0.00	X						0.	0.	0.
(16) MARY FLIELLER DIRECTOR	1.00 0.00	X						0.	0.	0.
(17) KATIE GAILES DIRECTOR	1.00 0.00	X						0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CARRIE GRAY DIRECTOR	1.00 0.00							0.	0.	0.
(19) EMY HANSON DIRECTOR	1.00 0.00	X						0.	0.	0.
(20) AMY HUTCHINSON DIRECTOR	1.00 0.00	X						0.	0.	0.
(21) JENN MANN DIRECTOR	1.00 0.00	X						0.	0.	0.
(22) MATT MARTIN DIRECTOR	1.00 0.00	X						0.	0.	0.
(23) BILLY MCCLATCHEY DIRECTOR	1.00 0.00	X						0.	0.	0.
(24) MIKE MOLITORIS DIRECTOR	1.00 0.00	X						0.	0.	0.
(25) KYLE PRAIRIE DIRECTOR	1.00 0.00	X						0.	0.	0.
(26) REGGIE RANDOLPH DIRECTOR	1.00 0.00	X						0.	0.	0.
<b>1b Sub-total</b>								0.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b>								240,327.	0.	16,907.
<b>d Total (add lines 1b and 1c)</b>								240,327.	0.	16,907.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

SEE PART VII, SECTION A CONTINUATION SHEETS



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>	444,227.				
	<b>c</b> Fundraising events	<b>1c</b>	137,616.				
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	747,394.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	1,047,683.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		146,859.				
	<b>h Total.</b> Add lines 1a-1f		2,376,920.				
	<b>Program Service Revenue</b>	<b>2 a</b> <u>ADMISSION FEES</u>	<b>Business Code</b> 713990	3,820,649.	2,592,683.	1,227,966.	
<b>b</b>							
<b>c</b>							
<b>d</b>							
<b>e</b>							
<b>f</b> All other program service revenue							
<b>g Total.</b> Add lines 2a-2f			3,820,649.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		1,070.			1,070.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	44,917.				
		(ii) Personal					
		<b>b</b> Less: rental expenses	69,968.				
		<b>c</b> Rental income or (loss)	-25,051.				
	<b>d</b> Net rental income or (loss)		-25,051.		-25,051.		
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		<b>b</b> Less: cost or other basis and sales expenses		15,174.			
		<b>c</b> Gain or (loss)		-15,174.			
	<b>d</b> Net gain or (loss)		-15,174.			-15,174.	
	<b>8 a</b> Gross income from fundraising events (not including \$ 137,616. of contributions reported on line 1c). See Part IV, line 18	<b>a</b>	40,331.				
		<b>b</b> Less: direct expenses	81,902.				
<b>c</b> Net income or (loss) from fundraising events			41,571.			-41,571.	
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
	<b>b</b> Less: direct expenses						
	<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>	479,126.					
	<b>b</b> Less: cost of goods sold	180,545.					
	<b>c</b> Net income or (loss) from sales of inventory		298,581.	298,581.			
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> <u>MISCELLANEOUS INCOME</u>	900099	14,583.	14,583.				
<b>b</b>							
<b>c</b>							
<b>d</b> All other revenue							
<b>e Total.</b> Add lines 11a-11d		14,583.					
<b>12 Total revenue.</b> See instructions.		6,430,007.	2,905,847.	1,202,915.	-55,675.		

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	278,349.	104,954.	133,205.	40,190.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,533,417.	2,051,691.	338,186.	143,540.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	15,041.	10,749.	2,747.	1,545.
9 Other employee benefits	341,740.	260,751.	61,475.	19,514.
10 Payroll taxes	203,070.	158,484.	32,928.	11,658.
11 Fees for services (non-employees):				
a Management				
b Legal	3,449.		3,449.	
c Accounting	17,500.		17,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	126,170.	93,490.	32,550.	130.
12 Advertising and promotion	197,684.	195,184.		2,500.
13 Office expenses	113,330.	74,413.	35,976.	2,941.
14 Information technology				
15 Royalties				
16 Occupancy	7,690.		7,690.	
17 Travel	22,449.	19,399.	2,656.	394.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	26,163.	20,068.	4,834.	1,261.
20 Interest	2,111.	1,527.	584.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	549,166.	401,018.	148,148.	
23 Insurance	37,490.		37,490.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>FILM EXPENSE</b>	701,240.	699,694.	12.	1,534.
b <b>SUPPLIES</b>	273,268.	198,444.	74,288.	536.
c <b>FOOD PURCHASES</b>	212,769.	212,496.	98.	175.
d <b>REPAIRS AND MAINTENANCE</b>	198,650.	164,308.	30,505.	3,837.
e All other expenses	368,375.	341,333.	22,156.	4,886.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	6,229,121.	5,008,003.	986,477.	234,641.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	1	Cash - non-interest-bearing .....	316,976.	1	789,492.
	2	Savings and temporary cash investments .....	613,249.	2	431,957.
	3	Pledges and grants receivable, net .....	696,597.	3	737,125.
	4	Accounts receivable, net .....	42,892.	4	33,782.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		6	
	7	Notes and loans receivable, net .....		7	
	8	Inventories for sale or use .....	72,232.	8	58,343.
	9	Prepaid expenses and deferred charges .....	52,912.	9	73,024.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 4,859,162.		
	b	Less: accumulated depreciation .....	10b 2,604,311.	10c 2,629,780.	2,254,851.
	11	Investments - publicly traded securities .....		11	
	12	Investments - other securities. See Part IV, line 11 .....		12	
	13	Investments - program-related. See Part IV, line 11 .....		13	
	14	Intangible assets .....		14	
	15	Other assets. See Part IV, line 11 .....	410,065.	15	11,306,754.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	4,834,703.	16	15,685,328.	
<b>Liabilities</b>	17	Accounts payable and accrued expenses .....	342,315.	17	427,222.
	18	Grants payable .....		18	
	19	Deferred revenue .....	439,238.	19	481,924.
	20	Tax-exempt bond liabilities .....		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D .....		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....	355,000.	22	0.
	23	Secured mortgages and notes payable to unrelated third parties .....	907,422.	23	722,140.
	24	Unsecured notes and loans payable to unrelated third parties .....		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		25	
	26	<b>Total liabilities.</b> Add lines 17 through 25 .....	2,043,975.	26	1,631,286.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
	27	Unrestricted net assets .....	1,967,558.	27	2,188,603.
	28	Temporarily restricted net assets .....	823,170.	28	11,865,439.
	29	Permanently restricted net assets .....		29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	30	Capital stock or trust principal, or current funds .....		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund .....		31	
	32	Retained earnings, endowment, accumulated income, or other funds .....		32	
33	<b>Total net assets or fund balances</b> .....	2,790,728.	33	14,054,042.	
34	<b>Total liabilities and net assets/fund balances</b> .....	4,834,703.	34	15,685,328.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,430,007.
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,229,121.
3	Revenue less expenses. Subtract line 2 from line 1	3	200,886.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,790,728.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	11,046,942.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	15,486.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	14,054,042.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2014)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10 .....						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>		%
<b>15</b> Public support percentage from 2013 Schedule A, Part II, line 14 .....	<b>15</b>		%
<b>16a 33 1/3% support test - 2014.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>	
<b>b 33 1/3% support test - 2013.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>	
<b>17a 10% -facts-and-circumstances test - 2014.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>	
<b>b 10% -facts-and-circumstances test - 2013.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1747600.	1599325.	2865110.	1864595.	2376920.	10453550.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	2429759.	2672796.	2909607.	3133584.	3071809.	14217555.
3 Gross receipts from activities that are not an unrelated trade or business under section 513	40,308.	49,187.	103,105.	98,914.	40,331.	331,845.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge					383,402.	383,402.
6 Total. Add lines 1 through 5	4217667.	4321308.	5877822.	5097093.	5872462.	25386352.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons			12,500.	7,500.	48,589.	68,589.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b			12,500.	7,500.	48,589.	68,589.
8 Public support (Subtract line 7c from line 6.)						25317763.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
9 Amounts from line 6	4217667.	4321308.	5877822.	5097093.	5872462.	25386352.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,276.	110.	243.	535.	1,070.	3,234.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,276.	110.	243.	535.	1,070.	3,234.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	5,042.	13,894.	31,500.	26,881.	14,583.	91,900.
13 Total support. (Add lines 9, 10c, 11, and 12.)	4223985.	4335312.	5909565.	5124509.	5888115.	25481486.

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	99.36 %
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	99.53 %

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	.01 %
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	.03 %

19a **33 1/3% support tests - 2014.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2013.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).*
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*
- 3b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in Part VI when and how the organization made the determination.*
- 3c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in Part VI what controls the organization put in place to ensure such use.*
- 4a Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.*
- 4b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*
- 4c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).*
- 5b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
- 5c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in Part VI.*
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990).*
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990).*
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in Part VI.*
- 9b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in Part VI.*
- 9c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in Part VI.*
- 10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer (b) below.*
- 10b Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

**Part IV Supporting Organizations** (continued)

		Yes	No
<b>11</b>	Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b>	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b>	A family member of a person described in (a) above?		
<b>c</b>	A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

**Section B. Type I Supporting Organizations**

		Yes	No
<b>1</b>	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>2</b>	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

**Section C. Type II Supporting Organizations**

		Yes	No
<b>1</b>	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

**Section D. Type III Supporting Organizations**

		Yes	No
<b>1</b>	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b>	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b>	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b>	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year(see instructions):		
<b>a</b>	<input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b>	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b>	<input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b>	Activities Test. Answer (a) and (b) below.		
<b>a</b>	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
<b>b</b>	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>3</b>	Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b>	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
<b>b</b>	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	8	
<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	
<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2014

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

Section D - Distributions			Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes		
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity		
3	Administrative expenses paid to accomplish exempt purposes of supported organizations		
4	Amounts paid to acquire exempt-use assets		
5	Qualified set-aside amounts (prior IRS approval required)		
6	Other distributions (describe in Part VI). See instructions.		
7	<b>Total annual distributions.</b> Add lines 1 through 6.		
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.		
9	Distributable amount for 2014 from Section C, line 6		
10	Line 8 amount divided by Line 9 amount		

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1	Distributable amount for 2014 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)		
3	Excess distributions carryover, if any, to 2014:		
a			
b			
c			
d			
e	From 2013		
f	<b>Total</b> of lines 3a through e		
g	Applied to underdistributions of prior years		
h	Applied to 2014 distributable amount		
i	Carryover from 2009 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.		
4	Distributions for 2014 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2014 distributable amount		
c	Remainder. Subtract lines 4a and 4b from 4.		
5	Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).		
6	Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).		
7	<b>Excess distributions carryover to 2015.</b> Add lines 3j and 4c.		
8	Breakdown of line 7:		
a			
b			
c			
d	Excess from 2013		
e	Excess from 2014		

Schedule A (Form 990 or 990-EZ) 2014



**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Name of the organization

**MARBLES KIDS MUSEUM**

Employer identification number

**58-1647538**

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization <b>MARBLES KIDS MUSEUM</b>	Employer identification number <b>58-1647538</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	DUKE ENERGY FOUNDATION PO BOX 1007 CHARLOTTE, NC 28202	\$ 106,050.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	PNC BANK 301 FAYETTEVILLE STREET RALEIGH, NC 27601	\$ 103,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	WAKE COUNTY PO BOX 550 RALEIGH, NC 27602	\$ 650,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	LOWES FOOD - GEORGE FOUNDATION 1381 OLD MILL CIRCLE WINSTON SALEM, NC 27114	\$ 60,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	MICROSOFT ONE MICROSOFT WAY REDMOND, WA 98052	\$ 104,769.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
6	NC DEPT OF COMMERCE - NC GRASSROOTS SCIENCE COLLABORATIVE 301 N. WILMINGTON STREET RALEIGH, NC 27601	\$ 58,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>MARBLES KIDS MUSEUM</b>	Employer identification number <b>58-1647538</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
5	<u>HARDWARE AND SOFTWARE.</u> _____ _____ _____	\$ <u>104,769.</u>	<u>12/15/14</u>
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization

Employer identification number

**MARBLES KIDS MUSEUM**

**58-1647538**

**Part III**

*Exclusively* religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2014

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

MARBLES KIDS MUSEUM

Employer identification number

58-1647538

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Temporarily restricted endowment  \_\_\_\_\_ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		60,352.		60,352.
b Buildings				
c Leasehold improvements		1,146,807.	216,793.	930,014.
d Equipment		1,971,291.	1,531,885.	439,406.
e Other		1,680,712.	855,633.	825,079.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				<b>2,254,851.</b>

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) RESERVED CASH	211,358.
(2) SALES TAX RECEIVABLE AND TICKETS.COM RECEIVABLE	32,656.
(3) OCCUPANCY RECEIVABLE	11,062,740.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	7,013,899.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2a		
	b Donated services and use of facilities	2b	416,848.	
	c Recoveries of prior year grants	2c		
	d Other (Describe in Part XIII.)	2d	167,044.	
	e Add lines 2a through 2d	2e		583,892.
3	Subtract line 2e from line 1		3	6,430,007.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b	4c		0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	6,430,007.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	8,150,877.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a	1,754,400.	
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d	167,356.	
	e Add lines 2a through 2d	2e		1,921,756.
3	Subtract line 2e from line 1		3	6,229,121.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b	4c		0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	6,229,121.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE ORGANIZATION RECOGNIZES THE TAX BENEFIT FROM A TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES BASED ON THE TECHNICAL MERITS OF THE POSITION. THE MUSEUM HAS ANALYZED ITS TAX POSITIONS TAKEN FOR FILINGS WITH THE INTERNAL REVENUE SERVICE. THE ORGANIZATION BELIEVES THAT ITS INCOME TAX FILING POSITIONS WILL BE SUSTAINED UPON EXAMINATION AND DOES NOT ANTICIPATE ANY ADJUSTMENTS THAT WOULD RESULT IN A MATERIAL ADVERSE AFFECT ON THE ORGANIZATION'S FINANCIAL CONDITION, RESULTS OF OPERATIONS, OR CASH FLOWS. ACCORDINGLY, THE ORGANIZATION HAS NOT RECORDED ANY TAX ASSETS OR LIABILITIES, OR RELATED ACCRUALS FOR INTEREST AND PENALTIES, FOR UNCERTAIN





**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		IMAGINATION BALL (event type)	BIG IDEA FORUM (event type)	NONE (total number)	
Revenue	1	Gross receipts	119,507.	58,440.	177,947.
	2	Less: Contributions	85,477.	52,139.	137,616.
	3	Gross income (line 1 minus line 2)	34,030.	6,301.	40,331.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	710.	265.	975.
	7	Food and beverages	24,728.	7,459.	32,187.
	8	Entertainment	16,350.	8,642.	24,992.
	9	Other direct expenses	19,966.	3,782.	23,748.
	10	Direct expense summary. Add lines 4 through 9 in column (d)			81,902.
	11	Net income summary. Subtract line 10 from line 3, column (d)			-41,571.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1	Gross revenue		
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7	Direct expense summary. Add lines 2 through 5 in column (d)				
8	Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_

a Is the organization licensed to conduct gaming activities in each of these states?  Yes  No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

b If "Yes," explain: \_\_\_\_\_





**SCHEDULE J  
(Form 990)**

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**MARBLES KIDS MUSEUM**

Employer identification number

**58-1647538**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		



Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

THE BOARD REVIEWS AND APPROVES COMPENSATION FOR THE PRESIDENT AND KEY EMPLOYEES. MARBLES RELIES ON SALARY SURVEYS AND OTHER RELEVANT INDUSTRY DATA OBTAINED FROM SOURCES SUCH AS THE ASSOCIATION OF CHILDREN'S MUSEUMS AND NORTH CAROLINA CENTER FOR NONPROFITS.

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2014**

Open To Public  
Inspection

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization **MARBLES KIDS MUSEUM** Employer identification number **58-1647538**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art .....				
2 Art - Historical treasures .....				
3 Art - Fractional interests .....				
4 Books and publications .....				
5 Clothing and household goods .....				
6 Cars and other vehicles .....				
7 Boats and planes .....				
8 Intellectual property .....				
9 Securities - Publicly traded .....				
10 Securities - Closely held stock .....				
11 Securities - Partnership, LLC, or trust interests .....				
12 Securities - Miscellaneous .....				
13 Qualified conservation contribution - Historic structures .....				
14 Qualified conservation contribution - Other .....				
15 Real estate - Residential .....				
16 Real estate - Commercial .....				
17 Real estate - Other .....				
18 Collectibles .....				
19 Food inventory .....	X	12	29,493.	COST
20 Drugs and medical supplies .....				
21 Taxidermy .....				
22 Historical artifacts .....				
23 Scientific specimens .....				
24 Archeological artifacts .....				
25 Other ▶ ( <u>HARDWARE &amp; SO</u> ) .....	X	1	104,769.	FMV
26 Other ▶ ( <u>SUPPLIES</u> ) .....	X	10	7,347.	COST
27 Other ▶ ( <u>GIFT CARDS</u> ) .....	X	2	5,250.	FMV
28 Other ▶ ( ) .....				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement ..... **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? .....		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? .....		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

**MARBLES KIDS MUSEUM**

Employer identification number

**58-1647538**

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

**IN PLAY AND LARGER-THAN-LIFE IMAX EXPERIENCES.**

**FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:**

**VISITORS IN FY2014-2015. AWARD-WINNING FIELD TRIP PROGRAMS WERE**

**ATTENDED BY OVER 81,000 STUDENTS FROM ACROSS THE STATE OF NORTH**

**CAROLINA IN FISCAL YEAR 2014-2015. MUSEUM FIELD TRIPS OFFER OPEN-ENDED**

**MUSEUM EXPLORATION AS WELL AS SPECIALTY PROGRAMS USING HANDS-ON**

**ACTIVITIES COVERING SUBJECTS LIKE FINANCIAL LITERACY, PHYSICAL**

**ACTIVITY, WEATHER, ENGINEERING AND MORE GIVING KIDS THE OPPORTUNITY TO**

**EXPLORE TOPICS LEARNED ABOUT IN THE CLASSROOM IN A HANDS-ON WAY.**

**MARBLES OFFERS AN INNOVATIVE APPROACH TO CURRICULUM-ALIGNED EDUCATIONAL**

**MATERIAL BY INTEGRATING IMAX DOCUMENTARIES WITH HANDS-ON PROGRAMMING**

**CALLED LEARNING LABS FOR STUDENTS IN GRADES 5-8, EXPOSING STUDENTS TO**

**UNIQUE WAYS TO EXPLORE CONTENT DELIVERED IN THE FILM, BRINGING IT TO**

**LIFE WITH HANDS-ON MANIPULATIVES AND ACTIVITIES. CAMP MARBLES WAS**

**HIGHLY SUCCESSFUL IN FY2014-2015, ENGAGING 1,928 KIDS IN HANDS-ON,**

**MINDS-ON ACTIVITIES SUCH AS COOKING, CREATING, BUILDING AND**

**EXPERIMENTING. AS PART OF OUR MARBLES FULL CIRCLE ACCESS PROGRAM, 91**

**CHILDREN FROM LOW INCOME FAMILIES RECEIVED SCHOLARSHIPS TO PARTICIPATE**

**IN OUR POPULAR SUMMER CAMPS PROGRAMS. THROUGH OUR MARBLES FULL CIRCLE**

**OUTREACH PROGRAMS, WE SERVED OVER 34,600 GUESTS IN TRADITIONALLY**

**UNDERSERVED POPULATIONS BY PROVIDING FREE MUSEUM ACCESS, INVITING ALL**

**CHILDREN IN THE COMMUNITY TO PLAY AT MARBLES DESPITE FINANCIAL OR**

**PHYSICAL LIMITATIONS. PLAYFREE, OUR MUSEUM ACCESS PROGRAM DEDICATED TO**

**SERVING AT-RISK TITLE I AND PRESCHOOL GROUPS AND A COMPONENT OF FULL**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2014)

432211  
08-27-14

Name of the organization <b>MARBLES KIDS MUSEUM</b>	Employer identification number <b>58-1647538</b>
--	---

CIRCLE, ENABLED OVER 4,600 CHILDREN TO VISIT MARBLES IN FY2014-2015. OUR WEEKLY TWILIGHT THURSDAY NIGHTS PRESENTED BY TERMINIX FOR WORKING FAMILIES, WHEN WE STAY OPEN LATE AND OFFER REDUCED ADMISSION, SERVED OVER 15,900 VISITORS IN FY2014-2015. KICKOFF TO KINDERGARTEN, AN EVENT HELD FOR FREE FOR INCOMING KINDERGARTENERS AND THEIR FAMILIES, EVERY JUNE FOR FAMILIES IN YEAR-ROUND SCHOOLS AND EVERY AUGUST FOR FAMILIES IN TRADITIONAL CALENDAR SCHOOLS, SERVED OVER 2,600 FREE GUESTS. FAMILY FUN NIGHT, A BIMONTHLY EVENT FOR CHILDREN WITH SPECIAL NEEDS AND THEIR FAMILIES, SERVED 2,100 VISITORS WITH SPECIAL PROGRAMMING AND ACTIVITIES. IN ADDITION, MORE THAN 4,800 ADMISSION PASSES WERE DISTRIBUTED TO NONPROFIT AND COMMUNITY ORGANIZATIONS SERVING FAMILIES IN NEED, ENABLING THEM TO EXPERIENCE THE POWER OF PLAY TOGETHER AT THE MUSEUM. MARBLES WAS LISTED ONCE AGAIN AMONG THE TOP TEN FIELD TRIP DESTINATIONS IN NORTH CAROLINA AND WAS THE SECOND MOST VISITED MUSEUM IN RALEIGH. IN ADDITION, MARBLES KIDS MUSEUM RECEIVED VARIOUS OTHER HONORS, INCLUDING BEST FAMILY ATTRACTION IN NC BY VACATIONHOMERENTALS.COM, BEST WAY TO ENTERTAIN KIDS BY MIDTOWN MAGAZINE 2015 AND TRIPADVISOR CERTIFICATE OF EXCELLENCE.

FORM 990, PART VI, SECTION B, LINE 11:

THE PRESIDENT AND DIRECTOR OF ACCOUNTING WILL DO THE INITIAL REVIEW OF THE FORM 990. FINAL REVIEW AND APPROVAL WILL BE WITH THE FINANCE COMMITTEE AND THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 12C:

BOARD MEMBERS AND OFFICERS ARE ASKED ANNUALLY IF THEY ARE AWARE OF ANY POSSIBLE CONFLICT OF INTEREST.

Name of the organization <b>MARBLES KIDS MUSEUM</b>	Employer identification number <b>58-1647538</b>
--	---

FORM 990, PART VI, SECTION B, LINE 15:

THE BOARD REVIEWS AND APPROVES COMPENSATION FOR THE PRESIDENT AND KEY EMPLOYEES. MARBLES RELIES ON SALARY SURVEYS AND OTHER RELEVANT INDUSTRY DATA OBTAINED FROM SOURCES SUCH AS THE ASSOCIATION OF CHILDREN'S MUSEUMS, GUIDESTAR, AND NORTH CAROLINA CENTER FOR NONPROFITS.

FORM 990, PART VI, SECTION C, LINE 18:

THE FORM 990 AND 990-T IS AVAILABLE UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19:

ALL DISCLOSURES ARE AVAILABLE AT OUR OFFICE AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

BAD DEBT EXPENSE	312.
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	15,174.
TOTAL TO FORM 990, PART XI, LINE 9	15,486.

FORM 990, PART XI, LINE 8

IN ACCORDANCE WITH U.S. GAAP, THE DONATED USE OF UTILITIES, SERVICES, AND USE OF THE MUSEUM BUILDING SHOULD BE RECORDED. IT WAS NOTED DURING THE FINANCIAL STATEMENT AUDIT THAT THIS WAS NOT DONE AS OF JUNE 30, 2014. THIS WAS PART OF THE RESTATEMENT MADE IN ORDER TO BE IN COMPLIANCE WITH GAAP.

FORM 990, PART XII, LINE 2C

THERE HAVE BEEN NO CHANGES TO THE PROCESS SINCE THE PRIOR YEAR.



# Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box  **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file)**. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

	Enter filer's identifying number	
<b>Type or print</b>	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	<b>MARBLES KIDS MUSEUM</b>	<b>58-1647538</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	<b>201 EAST HARGETT STREET</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>RALEIGH, NC 27601</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**APRIL WARD**

- The books are in the care of ▶ **201 EAST HARGETT STREET - RALEIGH, NC 27601**

Telephone No. ▶ **919-857-1057** Fax No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2016**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year \_\_\_\_\_ or
- ▶  tax year beginning **JUL 1, 2014**, and ending **JUN 30, 2015**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution.** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2014

For calendar year 2014 or other tax year beginning JUL 1, 2014, and ending JUN 30, 2015

Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury Internal Revenue Service

Form 990-T header section containing organization name (MARBLER KIDS MUSEUM), address (201 EAST HARGETT STREET, RALEIGH, NC 27601), EIN (58-1647538), and exemption type (501(c)(3) corporation).

Section H: Describe the organization's primary unrelated business activity (SEE STATEMENT 1). Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (No).

Section J: The books are in care of (APRIL WARD) and Telephone number (919-857-1057).

Table for Part I: Unrelated Trade or Business Income. Columns include (A) Income, (B) Expenses, and (C) Net. Rows include Gross receipts or sales (1,227,967), Total (1,260,155), and Total deductions (50,140), resulting in a net of 1,210,015.

Table for Part II: Deductions Not Taken Elsewhere. Rows include Compensation of officers, directors, and trustees (14), Salaries and wages (15), Repairs and maintenance (16), Bad debts (17), Interest (18), Taxes and licenses (19), Charitable contributions (20), Depreciation (21), Less depreciation claimed on Schedule A (22), Depletion (23), Contributions to deferred compensation plans (24), Employee benefit programs (25), Excess exempt expenses (26), Excess readership costs (27), Other deductions (28, SEE STATEMENT 2), Total deductions (29, 1,367,811), Unrelated business taxable income before net operating loss deduction (30, -157,796), Net operating loss deduction (31), Unrelated business taxable income before specific deduction (32, -157,796), Specific deduction (33, 1,000), and Unrelated business taxable income (34, -157,796).

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 35-39 for Organizations Taxable as Corporations, Trusts Taxable at Trust Rates, Proxy tax, Alternative minimum tax, and Total.

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 40a-49 for Foreign tax credit, Other credits, General business credit, Total credits, Subtract line 40e, Other taxes, Total tax, Payments, Total payments, Estimated tax penalty, Tax due, Overpayment, and Refunded.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Question number, Description, and Yes/No. Includes questions 1-3 regarding foreign accounts, foreign trusts, and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 3 columns: Line number, Description, and Amount. Includes lines 1-8 for Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, Other costs, Total, and Do the rules of section 263A apply?

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer (Signature), Date, Title (PRESIDENT), and May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Paid Preparer Use Only: Print/Type preparer's name (ROBIN MCDUFFIE), Preparer's signature (ROBIN MCDUFFIE), Date (2/15/16), Check self-employed, PTIN (P00098611), Firm's name (BLACKMAN & SLOOP, CPAS, P.A.), Firm's EIN (56-1304727), Firm's address (1414 RALEIGH RD, SUITE 300, CHAPEL HILL, NC 27517), Phone no. ((919)942-8700)

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total <b>0.</b>	Total <b>0.</b>	

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** (b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1) <b>BUILDING</b>	<b>44,917.</b>		<b>STATEMENT 3</b> <b>69,969.</b>	
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
<b>STATEMENT 4</b>	<b>STATEMENT 5</b>			
(1) <b>828,348.</b>	<b>1,156,017.</b>	<b>71.66%</b>	<b>32,188.</b>	<b>50,140.</b>
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b>			<b>32,188.</b>	<b>50,140.</b>
<b>Total dividends-received deductions included in column 8</b>				<b>0.</b>

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>			<b>0.</b>	<b>0.</b>

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**  
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
<b>Totals</b>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**  
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		0.	0.			0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>		0.	0.			0.
		Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).			Enter here and on page 1, Part II, line 27.
<b>Totals, Part II (lines 1-5)</b>		0.	0.			0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14			0.



FORM 990-T

AVERAGE ACQUISITION DEBT ON OR  
ALLOCABLE TO DEBT-FINANCED PROPERTY

STATEMENT 4

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE INDEBTEDNESS		828,348.	
- SUBTOTAL -	1		828,348.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			828,348.



# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).**

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
<b>Type or print</b>	Name of exempt organization or other filer, see instructions.  <b>MARBLES KIDS MUSEUM</b>	Employer identification number (EIN) or  <b>58-1647538</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>201 EAST HARGETT STREET</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>RALEIGH, NC 27601</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 07

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**APRIL WARD**

- The books are in the care of ▶ **201 EAST HARGETT STREET - RALEIGH, NC 27601**

Telephone No. ▶ **919-857-1057** Fax No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **MAY 15, 2016**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning **JUL 1, 2014**, and ending **JUN 30, 2015**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution.** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

# C Corporation Tax Return 2014

North Carolina Department of Revenue

**CD-405 (39)**

For calendar year 2014, or other tax year beginning		07 01 14	and ending	06 30 15	DOR Use Only
<b>MARBLES KIDS MUSEUM</b> 201 EAST HARGETT STREET RALEIGH NC 27601			Federal Employer ID Number <b>581647538</b> N.C. Secretary of State ID Number NAICS Code <b>712100</b>		
<input type="checkbox"/> Initial Return	<input type="checkbox"/> Combined Return	<input type="checkbox"/> Non U.S./ Foreign	<input type="checkbox"/> NC-478 is attached		
<input type="checkbox"/> Final Return	<input type="checkbox"/> Amended Return	<input type="checkbox"/> Fed Sch M-3 is attached	<input type="checkbox"/> CD-479 is attached		
<input type="checkbox"/> Short Year Return	<input checked="" type="checkbox"/> Tax Exempt-Nonprofit	<input type="checkbox"/> Captive REIT	<input type="checkbox"/> Has Escheatable Property		

MARB 201 27601 581647538 712100

PP 561304727 PFSP F IR N FR N SR N CR N AR N TE-NP Y  
 TN 9198571057 NF N M3 N RE N 478 N 479 N EP N

**MARBLES KIDS MUSEUM**

201 EAST HARGETT STREET RALEIGH NC 27601

GR	1227967	09	0	21	0	31	0
TA	0	10	-157796	22	0	32	0
01	0	11	0	24	0	36	0
HCE	N	13	0	26	0	EU	
02	0	15	0	27	0	37A	0
03	0	16	-157796	29A	0	37B	0
05	0	17	1000000	29B	0	40	0
06	0	18	-157796	29C	0	41	0
07	0	19	0	29D	0	42	0
08	0	20	-157796	29E	0	43	0



<b>Sch. A Computation of Franchise Tax</b>	9. Franchise Tax Overpaid <span style="float: right;">0</span>
1. Cap Stock, Surplus, & Undivided Profits <span style="float: right;">0</span>	<b>Sch. B Computation of Corporate Income Tax</b>
Holding Company Exception <span style="float: right;">N</span>	10. Federal Taxable Income <span style="float: right;">-157796</span>
2. Investment in N.C. Tangible Property <span style="float: right;">0</span>	11. Adjustments to Federal Taxable Income <span style="float: right;">0</span>
3. Appraised Value of N.C. Tangible Property <span style="float: right;">0</span>	12. Net Income Before Contributions <span style="float: right;">-157796</span>
4. Taxable Amount <span style="float: right;">0</span>	13. Contributions to Donees Outside N.C. <span style="float: right;">0</span>
5. Total Franchise Tax Due <span style="float: right;">0</span>	14. N.C. Taxable Income <span style="float: right;">-157796</span>
6. Application for Franchise Tax Extension <span style="float: right;">0</span>	15. Nonapportionable Income <span style="float: right;">0</span>
7. Tax Credits <span style="float: right;">0</span>	16. Apportionable Income <span style="float: right;">-157796</span>
8. Franchise Tax Due <span style="float: right;">0</span>	17. Apportionment Factor <span style="float: right;">100.0000%</span>

**Sign Return Below**     **Refund Due** 0     **Payment Due** 0

Signature and Title of Officer	919-857-1057 Corporate Telephone Number	Date
ROBIN MCDUFFIE	919-942-8700 Preparer's Telephone Number	56-1304727 Preparer's FEIN, SSN, or PTIN
<i>Robin McDuffie</i>		

I certify that, to the best of my knowledge, this return is accurate and complete.     FEIN     SSN     PTIN

## CD-405 Line-by-Line Information

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of

0

Sch. B Computation of Corporate Income Tax	Sch. D Investment in N.C. Tangible Property	Sch. E Appraised Value of N.C. Tangible Property	Sch. G Federal Taxable Income Before NOL Deduction
18. Income Apportioned to N.C.	-157796	Inventory valuation method	
19. Nonapportionable Income Allocated to N.C.	0	1. Total inventories located in N.C.	0
20. Income Subject to N.C. Tax	-157796	2. Total furniture, fixtures, and M & E located in N.C.	0
21. % Depletion over Cost - N.C. Property	0	3. Total land and buildings located in N.C.	0
22. Net Economic Loss (Attach schedule)	0	4. Total leasehold improvements and other N.C. tangible property	0
23. Income Before Contributions to N.C. Donees	-157796	5. Add Lines 1 through 4	0
24. Contributions to N.C. Donees	0	6. Acc. depreciation, depletion, and amortization with respect to N.C. tangible property	0
25. Net Taxable Income	-157796	7. Debts existing for N.C. real estate	0
26. N.C. Net Income Tax	0	8. Investment in N.C. Tangible Property	0
27. Annual Report Fee	0		
28. Add Lines 26 and 27	0		
29. Payments and Credits			
a. Application for Income Tax Extension	0	1. County tax value of N.C. tangible property	0
b. 2014 Estimated Tax (previous payments if amended)	0	2. Appraised value of N.C. tangible property	0
c. Partnership (include Form D-403, NC K-1)	0		
d. Nonresident Withholding (include 1099 or W-2)	0		
e. Tax Credits	0		
30. Add Lines 29a through 29e	0		
31. Income Tax Due	0		
32. Income Tax Overpaid	0		
<b>Tax Due or Refund</b>			
33. Franchise Tax Due or Overpayment	0		
34. Income Tax Due or Overpayment	0		
35. Balance of Tax Due or Overpayment	0		
36. Underpayment of Estimated Income Tax	0		
EU. Exception to Underpayment of Estimated Tax			
37. a. Interest	0		
b. Penalties	0		
c. Add Lines 37a and 37b	0		
38. Total Due	0		
39. Overpayment	0		
40. 2015 Estimated Income Tax	0		
41. N.C. Nongame and Endangered Wildlife Fund	0		
42. N.C. Education Endowment Fund	0		
43. Amount to be Refunded	0		
<b>Sch. C Capital Stock, Surplus, and Undivided Profits</b>			
1. Total capital stock outstanding less cost of treasury stock	0		
2. Paid-in or capital surplus	0		
3. Retained earnings	0		
4. Other surplus	0		
5. Deferred or unearned income	0		
6. Allowance for bad debts	0		
7. LIFO reserves	0		
8. Other reserves that do not represent definite and accrued legal liabilities (Attach schedule)	0		
9. Add Lines 1 through 8	0		
10. Affiliated indebtedness (Attach schedule)	0		
11. Line 9 plus (or minus) Line 10	0		
12. Apportionment factor	100.0000%		
13. Capital Stock, Surplus, and Undivided Profits	0		
		1. a. Gross receipts or sales	1227967
		b. Returns and allowances	0
		c. Balance - Line 1a minus Line 1b	1227967
		2. Cost of goods sold (Attach schedule)	0
		3. Gross Profit (Line 1c minus Line 2)	1227967
		4. Dividends (Attach schedule)	0
		5. a. Interest on obligations of U.S. and its instrumentalities	0
		b. Other interest	0
		6. Gross rents	0
		7. Gross royalties	0
		8. Capital gain net income (Attach schedule)	0
		9. Net gain (loss) (Attach schedule)	0
		10. Other income (Attach schedule) <b>STMT 1</b>	-17952
		11. Total Income	1210015
		12. Compensation of officers (Attach schedule)	0
		13. Salaries and wages (less employment credits)	0
		14. Repairs and maintenance	0
		15. Bad debts	0
		16. Rents	0
		17. Taxes and licenses	0
		18. Interest	0
		19. Charitable contributions	0
		20. a. Depreciation	0
		b. Depreciation included in cost of goods sold	0
		c. Balance - Line 20a minus 20b	0
		21. Depletion	0
		22. Advertising	0
		23. Pension, profit-sharing, and similar plans	0
		24. Employee benefit programs	0
		25. Domestic production activities deduction	0
		26. Other deductions (Attach schedule) <b>STMT 2</b>	1367811
		27. Total Deductions	1367811
		28. Taxable Income Per Federal Return Before NOL and Special Deductions	-157796
		29. Special Deductions	0
		30. Federal Taxable Income	-157796

Legal Name (First 10 Characters)

**MARBLES KI**

Federal Employer ID Number

**581647538**

**Sch. H Adjustments to Federal Taxable Income**

1. Additions		
a. Taxes based on net income	1a.	0
b. Dividends paid by captive REITs	1b.	0
c. Contributions	1c.	0
d. Royalties paid to related members	1d.	0
e. Expenses attributable to income not taxed	1e.	0
f. Domestic production activities deduction	1f.	0
g. Other (Attach schedule)	1g.	0
2. Total Additions	2.	0
3. Deductions		
a. U.S. obligation interest (net of expenses)	3a.	0
b. Other deductible dividends	3b.	0
c. Dividends received from captive REITs	3c.	0
d. Royalties received from related members	3d.	0
e. Interest on deposits with FHLB (net of expenses) S&L's only	3e.	0
f. Bonus depreciation	3f.	0
g. Section 179 expense deduction	3g.	0
h. Other (Attach schedule)	3h.	0
4. Total Deductions	4.	0
5. Adjustments to Federal Taxable Income	5.	0

**Sch. I Contributions**

1. Contributions to Donees Outside N.C.		
a. Total contributions to donees outside N.C.	1a.	0
b. Multiply Schedule B, Line 12 by 5%, if Line 12 is greater than zero. Otherwise enter zero.	1b.	0
c. Amount Deductible	1c.	0
2. Contributions to N.C. Donees		
a. Total contributions to N.C. donees other than those listed in Line 2d	2a.	0
b. Multiply Sch. B, Line 23 by 5%, if Line 23 is greater than zero. Otherwise enter zero.	2b.	0
c. Enter the lesser of Line 2a or 2b	2c.	0
d. Total contributions to the State of N.C. and its political subdivisions	2d.	0
e. Amount Deductible	2e.	0

**Other Information - All Taxpayers Must Complete this Schedule**

1. a. State of incorporation	<b>NC</b>	8. Is this corporation subject to franchise tax but not N.C. income tax because the corporation's income tax activities are protected under P.L. 86-272? (If yes, attach explanation)	<b>N</b>
b. Date incorporated	<b>06 30 07</b>	9. Officers' names and addresses:	
2. Date of N.C. Certificate of Authority		President	
3. a. Reg or principal trade or bus in N.C.	<b>MUSEUM</b>	Vice-President	
b. Reg or principal trade or bus everywhere	<b>MUSEUM</b>	Secretary	
4. Principal place bus is directed or managed	<b>RALEIGH</b>	Treasurer	
5. What was the last year the IRS redetermined the corporation's federal taxable income?			
6. a. Were adjustments reported to N.C.?	<b>N</b>		
b. If so, when?			
7. Does this corporation finance or discount its receivables through a related or an affiliated company?	<b>N</b>		

Explanation of Changes for Amended Return:

**Sch. L Balance Sheet per Books**

Assets	Beginning of Tax Year		End of Tax Year	
	(a)	(b)	(c)	(d)
1. Cash		0		0
2. a. Trade notes and accounts receivable	0		0	
b. Less allowance for bad debts (	0)	0 (	0)	0
3. Inventories		0		0
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach schedule)		0		0
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach schedule)		0		0
10. a. Buildings and other depreciable assets	0		0	
b. Less accumulated depreciation (	0)	0 (	0)	0
11. a. Depletable assets	0		0	
b. Less accumulated depletion (	0)	0 (	0)	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization (	0)	0 (	0)	0
14. Other assets (Attach schedule)		0		0
15. <b>Total Assets</b>		0		0
<b>Liabilities and Shareholders' Equity</b>				
16. Accounts payable		0		0
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach schedule)		0		0
19. Loans from shareholders		0		0
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach schedule)		0		0
22. Capital stock: a. Preferred Stock	0		0	
b. Common Stock	0	0	0	0
23. Additional paid-in capital		0		0
24. Retained earnings - Appropriated (Attach schedule)		0		0
25. Retained earnings - Unappropriated		0		-157796
26. Adjustments to shareholders' equity (Attach schedule)		0		0
27. Less cost of treasury stock	(	0)	(	0)
28. <b>Total Liabilities and Shareholders' Equity</b>		0		-157796

**Sch. M-1 Reconciliation of Income (Loss) per Books with Income per Return**

1. Net income (loss) per books	-157796	7. Income recorded on books this year	
2. Federal income tax	0	not included on this return:	
3. Excess of capital losses over capital gains	0	Tax-exempt interest	\$ 0
4. Income subject to tax not recorded on books this year:	0		
5. Expenses recorded on books this year		8. Deductions on this return not charged	
not deducted on this return:		against book income this year:	
a. Depreciation	\$ 0	a. Depreciation	\$ 0
b. Charitable Contributions	\$ 0	b. Charitable Contributions	\$ 0
c. Travel and entertainment	\$ 0		
	0	9. Add Lines 7 and 8	0
6. Add Lines 1 through 5	-157796	10. Income	-157796

**This page must be filed with this form.**

**Sch. M-2 Retained Earnings Analysis**

1. Balance at beginning of year	0	5. Distributions: a. Cash	0
2. Net income (loss) per books	-157796	b. Stock	0
3. Other increases:		c. Property	0
		6. Other decreases:	0
	0	7. Add Lines 5 and 6	0
4. Add Lines 1, 2, and 3	-157796	8. Balance at End of Year	-157796

**Sch. N Nonapportionable Income**

Nonapportionable Income	Gross Amounts	Related Expenses	Net Amounts	Net Amounts Allocated Directly to N.C.
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income:

**Sch. O Computation of Apportionment Factor**

**Part 1. Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C.** **100.0000%**

**Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States**

	1. Within North Carolina		2. Total Everywhere		
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period	
1. Land	0	0	0	0	
2. Buildings	0	0	0	0	
3. Inventories	0	0	0	0	
4. Other property	0	0	0	0	
5. Total	0	0	0	0	
6. Average value of property		0		0	
7. Rented Property		0		0	Factor
8. Property Factor		0		0	.0000%
9. Gross Payroll		0		0	
10. Compensation of general executive officers		0		0	
11. Payroll Factor		0		0	.0000%
12. Sales Factor		0		0	.0000%
13. Sales Factor					.0000%
14. Total of Factors					.0000%
15. N.C. Apportionment Factor					.0000%

**Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor** **.0000%**

**Part 4. Special Apportionment** **.0000%**

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NC SCH G	OTHER INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
NET UNRELATED DEBT-FINANCED INCOME			-17,952.
TOTAL TO FORM CD-405, PAGE 2, SCHEDULE G, LINE 10			-17,952.

NC SCH G	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
FILM ROYALTIES			598,462.
OTHER EXPENSES			513,406.
THEATRE OPERATIONS			255,943.
TOTAL TO FORM CD-405, PAGE 2, SCHEDULE G, LINE 26			1,367,811.

NC SCH B CURRENT YEAR NET ECONOMIC INCOME/LOSS AND NEL DEDUCTION STATEMENT 3

1) INCOME BEFORE APPORTIONMENT	-157,796.
2) TAX EXEMPT MUNICIPAL INTEREST	0.
3) U.S. INTEREST	0.
4) DEDUCTIBLE PORTION OF DIVIDENDS	0.
5) DEDUCTIBLE PORTION OF PRIOR YEAR CAPITAL LOSS	0.
6) OTHER TAX EXEMPT INCOME	0.
7) INCOME BEFORE APPORTIONMENT AND TAX EXEMPT INCOME	-157,796.
8) NONBUSINESS INCOME (MULTISTATE CORPORATIONS ONLY)	0.
9) OTHER DEDUCTIONS FROM TAX EXEMPT INCOME	0.
10) TOTAL BUSINESS INCOME	-157,796.
(IF ALL BUSINESS IS IN N.C. SKIP TO LINE 20)	

MULTISTATE CORPORATIONS

11) APPORTIONMENT PERCENT	
12) APPORTIONED BUSINESS INCOME	
13) APPORTIONABLE NORTH CAROLINA NONBUSINESS INCOME	
14) APPORTIONED NORTH CAROLINA NONBUSINESS INCOME	
15) OTHER APPORTIONABLE ADJUSTMENTS	0.
16) NONBUSINESS INCOME ALLOCATED TO NORTH CAROLINA	
17) NONBUSINESS INCOME NOT TAXABLE TO NORTH CAROLINA	0.
18) APPORTIONED NONBUSINESS INCOME NOT TAXABLE TO NC	0.
19) CONTRIBUTIONS TO NORTH CAROLINA DONEES	0.
20) TOTAL NET ECONOMIC INCOME (LOSS)	-157,796.
21) NET ECONOMIC INCOME AS TAXABLE INCOME	-157,796.
22) NONTAXABLE PORTION OF NET ECONOMIC INCOME	0.

NET ECONOMIC LOSS DEDUCTION:

	NET ECONOMIC LOSS	TAXABLE INCOME LOSS SUSTAINED	NON TAXABLE LOSS SUSTAINED
	<u>                    </u>	<u>                    </u>	<u>                    </u>
1999	0.	0.	0.
2000	0.	0.	0.
2001	0.	0.	0.
2002	0.	0.	0.
2003	0.	0.	0.
2004	0.	0.	0.
2005	0.	0.	0.
2006	0.	0.	0.
2007	0.	0.	0.
2008	0.	0.	0.
2009	0.	0.	0.
2010	0.	0.	0.
2011	0.	0.	0.
2012	0.	0.	0.
2013	0.	0.	0.

**CD-419 (39)**

8-13-13

**Application for  
Corporate Income Tax Extension**

North Carolina Department of Revenue

**GENERAL INSTRUCTIONS**

North Carolina law provides for an extension of time to file a North Carolina C Corporation Tax Return (CD-405) or S Corporation Tax Return (CD-401S). **To obtain an extension, a taxpayer must complete this application and file the completed form by the original due date of the corporate tax return.** When timely filed, Form CD-419 extends the due date of the return by 6 months. An extension of time to file the return does not extend the time to pay the amount of tax due. If you do not pay the full amount of tax due by the original due date of the return, interest and penalties will be assessed. **North Carolina does not accept the federal extension in lieu of Form CD-419. You can use the personalized coupon printed below or you can go to the Department's website, [www.dornc.com](http://www.dornc.com) to apply for an extension and pay your tax online.**

Corporations have the option of filing the Annual Report, Form CD-479, either in paper form with the Department of Revenue or in electronic form online with the Secretary of State. If the corporation elects to file the Annual Report in paper form with the Department of Revenue, include the Annual Report fee with the corporation's expected income tax liability. (See Line 4 below.)

<b>Worksheet for Computation of Tax Paid with Application for Extension</b>	
1. <b>Total Franchise Tax Due</b> (Minimum \$35.00)	0.00
2. <b>Allowable Franchise Tax Credits</b> (From Form CD-425)	0.00
3. <b>Net Franchise Tax Due</b> Line 1 minus Line 2	0.00
4. <b>Total Corporate Income Tax Due</b> (Include Annual Report Fee only if filing Annual Report with the Department of Revenue)	0.00
5. <b>Estimated Income Tax Payments</b> (Include any prior year's overpayment applied to current tax year)	0.00
6. <b>Allowable Corporate Income Tax Credits</b> (From Form CD-425)	0.00
7. <b>Net Corporate Income Tax Due</b> Line 4 minus Line 5 and Line 6	0.00
8. <b>Total Franchise and Corporate Income Tax Due with this Application</b> Line 3 plus (or minus) Line 7	

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469861  
12-15-14**CD-419 (39)**

8-13-13

**Application for Corporate Income Tax Extension**

North Carolina Department of Revenue

FEIN 581647538	Y NP/TE N NF N CO/MA	Tax year starting 07 01 14
SOS	Mail to: NCDOR, PO Box 25000, Raleigh, NC 27640-0520	and ending 06 30 15

MARBLES KIDS MUSEUM

201 EAST HARGETT STREET

RALEIGH

NC 27601

Total Income Tax Due

\$ 0.00

6420139010



06157 5816475386 000000 06530

**MARBLES KIDS MUSEUM**

Raleigh, North Carolina

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015  
(With Comparative Totals for the  
Year Ended June 30, 2014)



## MARBLES KIDS MUSEUM

Raleigh, North Carolina

June 30, 2015

### 2014-2015 Officers and Directors

Sharat Nagaraj	<i>Chair</i>	Mary Flieller	<i>Director</i>
Steve Pretzer	<i>Vice Chair</i>	Katie Gailes	<i>Director</i>
Henry White	<i>Treasurer</i>	Carrie Gray	<i>Director</i>
Tracy Sanders	<i>Secretary, PR and Marketing Chair</i>	Emy Hanson	<i>Director</i>
Laura Hulsey	<i>Development Chair</i>	Amy Hutchinson	<i>Director</i>
Nate Spilker	<i>Facilities Planning Chair</i>	Jenn Mann	<i>Director</i>
Patti Bartis	<i>Immediate Past Chair</i>	Matt Martin	<i>Director</i>
Austin Barnhill	<i>Director</i>	Billy McClatchey	<i>Director</i>
Chris Bingham	<i>Director</i>	Mike Molitoris	<i>Director</i>
Hunter Buxton	<i>Director</i>	Kyle Prairie	<i>Director</i>
Adrienne Cole	<i>Director</i>	Reggie Randolph	<i>Director</i>
Jeff Davis	<i>Director</i>	Gregg Sandreuter	<i>Director</i>
Doug Driver	<i>Director</i>	Wayne Smith	<i>Director</i>
Susie Erlinger	<i>Director</i>	Shawn Winstead	<i>Director</i>
Asa Fleming	<i>Director</i>		

## CONTENTS

	<b><u>PAGES</u></b>
Independent Auditor's Report	2-3
Exhibits:	
"A" Statements of Financial Position	4
"B" Statement of Activities and Changes in Net Assets	5
"C" Statement of Functional Expenses	6
"D" Statements of Cash Flows	7
Notes to Financial Statements	8-17

Carla G. Daniel, EA  
Andrea Woodell Eason, CPA  
Robin H. McDuffie, CPA  
M. Neely McLaughlin, CPA, MBA  
Joan C. Pharr, CPA



MEMBERS:

American Institute of  
Certified Public Accountants

North Carolina Association of  
Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Marbles Kids Museum  
Raleigh, North Carolina

We have audited the accompanying financial statements of Marbles Kids Museum (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, functional expenses, 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.

### ***Auditor's 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 from material misstatement.

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

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

**BLACKMAN & SLOOP, CPAs, P.A.**

Phone/919.942.8700 • Fax/919.968.4766 • Toll Free/877.854.7530  
The Exchange West at Meadowmont • 1414 Raleigh Road, Suite 300 • Chapel Hill, North Carolina 27517  
www.blackmansloop.com • email: cpa@blackmansloop.com

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marbles Kids Museum as of June 30, 2015, 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 and Other Matters***

The financial statements of Marbles Kids Museum as of June 30, 2014, were audited by other auditors whose report dated October 16, 2014, expressed an unmodified opinion on those statements. As part of our audit of the 2015 financial statements, we also audited adjustments described in the notes to restate the 2014 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 financial statements as a whole. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived, except for the adjustments applied to restate the 2014 financial statements.

A handwritten signature in cursive script that reads "Blackman & Sloop".

Chapel Hill, North Carolina  
October 15, 2015

## MARBLER KIDS MUSEUM

## STATEMENTS OF FINANCIAL POSITION

EXHIBIT A

June 30, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS:</b>		
Cash and equivalents	\$ 1,432,807	\$ 1,245,667
Accounts receivable	33,782	42,892
Other receivables	32,656	93,032
Pledges receivable - current portion	397,257	275,524
Occupancy receivable - current portion	1,720,954	1,720,954
Inventory	58,343	72,232
Prepaid expenses	73,024	52,912
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>3,748,823</b>	<b>3,503,213</b>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	60,352	60,352
Leasehold improvements	1,146,807	1,165,228
Equipment and furniture	897,133	962,239
IMAX theatre equipment	1,074,158	1,056,158
Exhibit design and technology infrastructure	1,680,712	1,609,218
Less: accumulated depreciation	<u>(2,604,311)</u>	<u>(2,223,415)</u>
	<hr/>	<hr/>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>2,254,851</b>	<b>2,629,780</b>
<b>NONCURRENT ASSETS:</b>		
Pledges receivable, net	339,868	421,073
Occupancy receivable - net current maturities	<u>9,341,786</u>	<u>10,679,338</u>
	<hr/>	<hr/>
<b>TOTAL NONCURRENT ASSETS</b>	<b>9,681,654</b>	<b>11,100,411</b>
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 15,685,328</b>	<b>\$ 17,233,404</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 397,926	\$ 318,232
Accrued expenses	29,296	22,492
Deferred revenue	481,924	439,238
Notes payable - current portion	<u>159,525</u>	<u>546,486</u>
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,068,671</b>	<b>1,326,448</b>
<b>LONG-TERM LIABILITIES:</b>		
Notes payable - net current maturities	<u>562,615</u>	<u>715,936</u>
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>1,631,286</b>	<b>2,042,384</b>
<b>NET ASSETS:</b>		
Unrestricted:		
Board designated IMAX reserve	31,800	24,600
Board designated operating reserve	179,558	292,433
Undesignated	<u>1,977,245</u>	<u>1,650,525</u>
Total unrestricted	<hr/>	<hr/>
	2,188,603	1,967,558
Temporarily restricted	<u>11,865,439</u>	<u>13,223,462</u>
	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	<b>14,054,042</b>	<b>15,191,020</b>
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 15,685,328</b>	<b>\$ 17,233,404</b>

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

## MARBLES KIDS MUSEUM

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Year Ended June 30, 2015  
(With Comparative Totals for the Year Ended June 30, 2014)

	Unrestricted	Temporarily Restricted	2015 Total	2014 Total
<b>PUBLIC SUPPORT AND REVENUE:</b>				
Grants and contributions	\$ 554,145	\$ 346,679	\$ 900,824	\$ 743,463
Government funding	747,394	-	747,394	650,000
Special events	177,948	-	177,948	163,629
In-kind contributions	180,304	383,402	563,706	469,449
Admission fees, memberships, and other fees	4,309,793	-	4,309,793	4,317,839
Gift shop sales, net of cost of sales	298,581	-	298,581	303,205
Other income	14,583	-	14,583	26,881
Interest income	1,070	-	1,070	535
	<u>6,283,818</u>	<u>730,081</u>	<u>7,013,899</u>	<u>6,675,001</u>
Net assets released from restrictions	<u>2,088,104</u>	<u>(2,088,104)</u>	<u>-</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>8,371,922</u>	<u>(1,358,023)</u>	<u>7,013,899</u>	<u>6,675,001</u>
<b>EXPENSES:</b>				
Program	6,472,743	-	6,472,743	6,293,894
Management and general	1,255,057	-	1,255,057	1,107,528
Fundraising	407,591	-	407,591	404,520
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>8,135,391</u>	<u>-</u>	<u>8,135,391</u>	<u>7,805,942</u>
<b>OTHER EXPENSES:</b>				
Loss on disposal of property and equipment	15,174	-	15,174	24,193
Bad debt expense	312	-	312	1,955
<b>TOTAL OTHER EXPENSES</b>	<u>15,486</u>	<u>-</u>	<u>15,486</u>	<u>26,148</u>
<b>TOTAL EXPENSES</b>	<u>8,150,877</u>	<u>-</u>	<u>8,150,877</u>	<u>7,832,090</u>
<b>CHANGES IN NET ASSETS</b>	221,045	(1,358,023)	(1,136,978)	(1,157,089)
<b>NET ASSETS, BEGINNING OF YEAR (AS RESTATED)</b>	<u>1,967,558</u>	<u>13,223,462</u>	<u>15,191,020</u>	<u>16,348,109</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,188,603</u>	<u>\$ 11,865,439</u>	<u>\$ 14,054,042</u>	<u>\$ 15,191,020</u>

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

## MARBLER KIDS MUSEUM

## STATEMENT OF FUNCTIONAL EXPENSES

EXHIBIT C

For the Year Ended June 30, 2015  
(With Comparative Totals for the Year Ended June 30, 2014)

	Program	Management and General	Fundraising	2015 Totals	2014 Totals
Advertising	\$ 197,014	\$ -	\$ 2,500	\$ 199,514	\$ 217,701
Advertising - donated	20,700	-	5,000	25,700	24,611
Bank fees	102,647	7,756	6,484	116,887	104,413
Conference registration and fees	9,596	1,197	653	11,446	13,971
Contract labor	58,271	-	544	58,815	51,291
Copyright permissions	2,919	-	-	2,919	2,796
Depreciation	444,442	148,148	-	592,590	403,236
Employee benefits	278,508	74,336	23,254	376,098	329,709
Employee incentives	13,116	-	-	13,116	12,431
Film	699,694	12	1,714	701,420	737,314
Food purchases	37,000	98	22,416	59,514	53,618
Food purchases - donated	19,547	-	9,946	29,493	5,830
Food purchases for resale	155,949	-	-	155,949	140,640
Freight and delivery	3,965	-	-	3,965	10,868
Insurance	-	37,490	-	37,490	40,826
Interest	6,940	584	-	7,524	8,869
Meetings	10,472	3,637	692	14,801	13,505
Membership and subscriptions	6,390	9,059	575	16,024	15,114
Miscellaneous	4,920	913	-	5,833	15,637
Non-capitalized equipment	15,222	105	-	15,327	16,732
Non-capitalized equipment - donated	474	-	-	474	-
Occupancy - donated	1,376,763	258,143	86,048	1,720,954	1,720,954
Payroll taxes	158,812	33,554	11,658	204,024	195,388
Postage	5,633	4,123	930	10,686	10,343
Printing	68,559	8,100	6,223	82,882	91,245
Professional fees	93,935	53,499	33,446	180,880	215,578
Professional fees - donated	7,745	-	-	7,745	16,106
Promotions	814	659	-	1,473	12,085
Rent	898	13,784	1,122	15,804	16,261
Repairs and maintenance	164,315	30,505	3,837	198,657	202,437
Safety and security	27,119	-	381	27,500	27,463
Salaries	2,154,793	471,087	181,535	2,807,415	2,722,728
Special events and arrangements	25,837	-	993	26,830	17,042
Supplies	196,505	30,920	4,636	232,061	202,544
Supplies - donated	2,673	43,368	-	46,041	2,563
Taxes and licenses	53,747	-	50	53,797	51,147
Training	13,085	3,665	2,420	19,170	7,383
Travel	19,399	2,656	394	22,449	35,467
Uniforms	14,325	-	140	14,465	23,218
Utilities	-	17,659	-	17,659	16,878
Total functional expenses	<u>6,472,743</u>	<u>1,255,057</u>	<u>407,591</u>	<u>8,135,391</u>	<u>7,805,942</u>
Bad debts	312	-	-	312	1,955
Loss on disposal of property and equipment	-	15,174	-	15,174	24,193
Total other expenses	<u>312</u>	<u>15,174</u>	<u>-</u>	<u>15,486</u>	<u>26,148</u>
<b>TOTAL EXPENSES</b>	<u>\$ 6,473,055</u>	<u>\$ 1,270,231</u>	<u>\$ 407,591</u>	<u>\$ 8,150,877</u>	<u>\$ 7,832,090</u>

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

## MARBLES KIDS MUSEUM

## STATEMENTS OF CASH FLOWS

EXHIBIT D

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (1,136,978)	\$ (1,157,089)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	592,590	403,236
Loss on disposal of assets	15,174	24,193
Forgiveness of debt	(148,000)	-
Donated property and equipment	(65,601)	-
Donated occupancy, net of amortization	1,337,552	1,300,616
Increase (decrease) in cash arising from changes in assets and liabilities:		
Accounts receivable	9,110	(13,999)
Other receivables	60,376	(57,357)
Pledges receivable, net	(40,528)	208,883
Inventory	13,889	1,111
Prepaid expenses	(20,112)	(13,099)
Accounts payable	79,694	(212,627)
Accrued expenses	6,804	17,788
Deferred revenue	42,686	43,832
	<u>746,656</u>	<u>545,488</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	<u>(167,234)</u>	<u>(1,046,050)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on notes payable	<u>(392,282)</u>	<u>(62,372)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	187,140	(562,934)
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,245,667</u>	<u>1,808,601</u>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,432,807</u>	<u>\$ 1,245,667</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Donated property and equipment	<u>\$ 65,601</u>	<u>\$ -</u>
Donated stock	<u>\$ 3,389</u>	<u>\$ 557</u>
Donated services, facilities, and materials	<u>\$ 1,830,407</u>	<u>\$ 1,770,064</u>

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

**MARBLES KIDS MUSEUM****NOTES TO FINANCIAL STATEMENTS****ORGANIZATION**

Marbles Kids Museum (the “Museum”) was formed on July 1, 2007. The Museum opened its doors September 29, 2007, through a merger of Exploris, the predecessor organization, and Playspace Children’s Museum. Marbles Kids Museum is an interactive children’s museum that encourages children and their families to learn together through play-based exhibits and activities. The Museum also operates an IMAX theatre.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Accounting.**

The Museum’s financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

The Museum reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**B. Cash and Equivalents.**

Cash and equivalents consist of monies on deposit at financial institutions and other highly liquid investments with initial maturities of three months or less. At times, the Museum places deposits with high-quality financial institutions that may be in excess of federally insured amounts. The Museum has not experienced any financial loss related to such deposits.

**C. Accounts and Other Receivables.**

Accounts and other receivables are recorded at their net realizable value. Management accounts for bad debts using the direct write-off method. Management reviews all outstanding receivables and estimates bad debt according to the age of accounts, credit-worthiness of the customer, access to collateral, and historical payments. As of June 30, 2015 and 2014, management believes all known uncollectible accounts have been written-off. The results of this method approximate those obtained under the allowance method.

**D. Pledges Receivable.**

Unconditional pledges receivable are recognized as support and assets in the period received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

**MARBLES KIDS MUSEUM****NOTES TO FINANCIAL STATEMENTS****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****D. Pledges Receivable (Continued).**

Management accounts for bad debts using the direct write-off method. Management reviews all outstanding receivables and estimates bad debt. The results of this method approximate those obtained under the allowance method. As of June 30, 2015 and 2014, all pledges receivable were deemed collectible by management.

**E. Occupancy Receivable.**

The Museum leases the building and land used for operations and the IMAX theatre from Wake County (the "Landlord") in the amount of \$1 for the entire term of the leases. These leases are for a period of ten years expiring on November 5, 2022. The contribution is recorded at the net present value of the fair rental value. The occupancy receivable is amortized over the term of the lease. Donated rent expenses of \$1,720,954 are recognized annually in the statement of activities.

**F. Inventory.**

Inventory consists of gift shop merchandise and is stated at the lower of cost or market on a FIFO (first-in, first-out) basis.

**G. Property and Equipment.**

Property and equipment are stated at cost for purchased assets and at market value on the date of the gift for donated assets. Property and equipment are capitalized if the life is expected to be greater than one year and if the cost exceeds \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets of three to fifteen years for equipment and furniture.

Exhibit design and technology infrastructure includes the cost of developing museum exhibits including fabrication, media and graphic production, collecting artifacts and images, procuring photographic copyrights, prototyping and testing exhibits, and architectural expenses related to the exhibits. When put into service, these assets are depreciated using the straight-line method over the life of the exhibit (three to ten years).

The IMAX theatre equipment was put into service in November 2001. This equipment was funded by Wake County and is depreciated using the straight-line method over five to seven years. The equipment was upgraded in 2011, and was funded by IMAX theatre and Museum cash, as well as debt service.

Leasehold improvements are improvements made to the Museum's buildings and are depreciated using the straight-line method over useful lives of five to thirty-nine years.

Expenditures for repairs and maintenance are charged to expense as incurred. The costs of major renewals and betterments are capitalized and depreciated over their useful lives. Upon disposition, the cost and related accumulated depreciation accounts are relieved and any gain or loss is included in operations.

## MARBLES KIDS MUSEUM

## NOTES TO FINANCIAL STATEMENTS

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## G. Property and Equipment (Continued).

The Museum reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Museum reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

## H. Impairment of Assets.

U.S. GAAP requires that long-lived assets and certain identifiable tangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment loss was recognized during the years ended June 30, 2015 and 2014.

## I. Deferred Revenue.

Membership revenue, camp, class, and event deposits, facility rental deposits, and other program fees which are paid in advance are deferred and subsequently recognized in the periods to which they relate.

## J. Donated Services, Facilities, and Materials.

Contributions of donated services, facilities, and materials are recorded as support at fair market value in the period received.

## K. Net Assets.

U.S. GAAP requires the Museum to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Unrestricted* – Resources of the Museum that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and investments in property and equipment.

*Temporarily Restricted* – Resources that carry a donor-imposed restriction that permits the Museum to use or expend the donated assets as specified. The restrictions are satisfied by the passage of time or by actions of the Museum.

*Permanently Restricted* – Resources that carry a donor-imposed restriction that stipulates donated assets be maintained in perpetuity, but may permit the Museum to use or expend part or all of the income derived from the donated assets.

**MARBLES KIDS MUSEUM**

**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

L. Advertising.

Advertising costs are expensed as incurred and totaled \$225,214 and \$242,312, for the years ended June 30, 2015 and 2014, respectively. Of these amounts, \$25,700 and \$24,611, was donated and included as in-kind contributions on the statement of activities for the years ended June 30, 2015 and 2014, respectively.

M. Income Tax Status.

Marbles Kids Museum is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(3) of the Internal Revenue Code. If applicable, penalties and interest assessed by income taxing authorities related to unrecognized tax positions are included as expenses in the statement of activities. There were no interest or penalties recorded or included in the financial statements for the years ended June 30, 2015 and 2014.

N. Estimates.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**PLEDGES RECEIVABLE**

Pledges receivable consist of the following at June 30:

	2015	2014
Receivable in less than one year	\$ 397,257	\$ 275,524
Receivable in one to five years	351,249	472,551
Total gross pledges receivable	748,506	748,075
Discount at a rate of 1.4% and 3.25%, respectively	(11,381)	(51,478)
Net present value of pledges receivable	<u>\$ 737,125</u>	<u>\$ 696,597</u>

## MARBLES KIDS MUSEUM

## NOTES TO FINANCIAL STATEMENTS

**DEFERRED REVENUE**

Deferred revenue consists of the following at June 30:

	<u>2015</u>	<u>2014</u>
Museum memberships	\$ 248,198	\$ 223,534
Camp, class, and family event deposits	125,754	117,154
Facility rental deposits	44,275	47,315
Other deposits	63,697	51,235
	<u>          </u>	<u>          </u>
Total deferred revenue	<u>\$ 481,924</u>	<u>\$ 439,238</u>

**NOTES PAYABLE**

Notes payable consists of the following at June 30:

	<u>2015</u>	<u>2014</u>
Note payable to a bank, with monthly payments of \$5,930, including interest at 3.0%. Loan matures in April 2018 and is collateralized by machinery, equipment, and other tangible personal property.	\$ 193,128	\$ 257,422
Note payable to Wake County with quarterly payments of \$31,479, including interest at 0.25% at June 30, 2015. The note matures October 2019.	529,012	650,000
An unsecured note payable to an individual, due on demand, with no stated interest or monthly payments.	<u>-</u>	<u>355,000</u>
Total notes payable	722,140	1,262,422
Less current maturity	<u>159,525</u>	<u>546,486</u>
	<u>          </u>	<u>          </u>
Total long-term debt	<u>\$ 562,615</u>	<u>\$ 715,936</u>

**MARBLES KIDS MUSEUM**

**NOTES TO FINANCIAL STATEMENTS**

**NOTES PAYABLE (CONTINUED)**

The future scheduled maturities of the notes payable are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 159,525
2017	192,070
2018	182,493
2019	124,883
2020	<u>63,169</u>
Total debt	<u>\$ 722,140</u>

The outstanding balance on the unsecured note payable to an individual at June 30, 2014, totaled \$355,000. Marbles entered into a settlement agreement with the individual in December 2014 to pay \$207,000 to settle the debt on or before June 30, 2015. The remaining balance of \$148,000 was forgiven by the individual and recognized as a contribution to the Museum. The forgiven debt is included in grants and contributions revenue in the statement of activities.

**LINE OF CREDIT**

The Museum established a line of credit with a financial institution with maximum borrowings totaling \$250,000 to be used for operating costs. Interest accrues monthly at a rate equal to prime plus 0.95%. The line of credit has a maturity date of May 5, 2016, and is secured by all inventory, accounts receivable, equipment, general intangibles, and fixtures of the Museum. There are no borrowings outstanding on the line of credit at June 30, 2015 and 2014.

**OPERATING LEASES**

The Museum has entered into agreements for the rental of copier equipment and a postage meter. The leases are short-term and have no significant future payments. Rent expense for operating leases for the years ended June 30, 2015 and 2014, totaled \$6,094 and \$5,883, respectively.

**EMPLOYEE BENEFIT PLAN**

The Museum has a 401(k) plan covering all full-time employees who are at least the age of 21 and have completed one year of service. The Museum matches 50% of the employee's contributions up to 4%. Employee benefit plan expenses totaled \$19,646 and \$22,006, for the years ended June 30, 2015 and 2014, respectively.

## MARBLES KIDS MUSEUM

### NOTES TO FINANCIAL STATEMENTS

#### COMMITMENTS AND CONTINGENCIES

In September 2010, the Museum entered into an agreement to purchase a \$450,000 projection system upgrade from the IMAX Corporation. The agreement requires an annual maintenance fee, paid quarterly starting in February 2011 through January 2021. Maintenance fee expense related to this agreement for the years ended June 30, 2015 and 2014, totaled \$42,674 and \$42,230, respectively. The agreement also requires a percentage payment of 3% of net theatre admissions for Hollywood films, plus 5% for all other content exhibited in the theatre, with a minimum annual payment of \$50,000. Expense related to this portion of the agreement totaled \$53,572 and \$50,822, for the years ended June 30, 2015 and 2014, respectively. The term of the agreements is ten years, with two potential five year renewals.

In July 2013, the Museum entered into an agreement to retain a Food Service Operator (“FSO”) to manage and operate Pogo, an onsite restaurant. The FSO agrees to pay the Museum monthly fees consisting of 7% of the adjusted total sales, base fees of \$1,000 and 1% of total sales for marketing expenses incurred in connection with a marketing program to promote the Pogo brand. The term of the agreement is for five years, with two potential three-year renewals. Revenue received on this agreement totaled \$44,917 and \$53,139, for the years ended June 30, 2015 and 2014, respectively.

#### BOARD DESIGNATED NET ASSETS

The Museum has established a reserve for IMAX related maintenance at \$600 a month. IMAX reserves totaled \$31,800 and \$24,600, at June 30, 2015 and 2014, respectively. During the years ended June 30, 2015 and 2014, the Board designated additional reserves for operating and emergency expenses totaling \$179,558 and \$292,433, respectively.

#### TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Purpose Restricted:		
STEM Programming	\$ 173,749	\$ 181,649
Master Plan	35,000	-
Exhibit Fabrication	29,082	20,000
Twilight Thursdays	12,500	12,500
Mastermind Program	-	10,000
	<u>250,331</u>	<u>224,149</u>
Time Restricted:		
Unrestricted pledges receivable	552,368	599,021
Occupancy receivable	11,062,740	12,400,292
	<u>11,615,108</u>	<u>12,999,313</u>
Total temporarily restricted net assets	<u>\$ 11,865,439</u>	<u>\$ 13,223,462</u>

## MARBLES KIDS MUSEUM

### NOTES TO FINANCIAL STATEMENTS

#### **SPECIAL EVENTS**

Special events consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Contributions	\$ 137,617	\$ 123,193
Event income	40,331	40,436
	<u>\$ 177,948</u>	<u>\$ 163,629</u>

#### **ADMISSION FEES, MEMBERSHIPS, AND OTHER FEES**

Admission fees, memberships, and other fees consist of the follow at June 30:

	<u>2015</u>	<u>2014</u>
Museum admission fees	\$ 1,444,764	\$ 1,323,426
IMAX admission fees	1,431,505	1,626,045
Membership fees	444,227	398,024
Camp, class, and family event fees	433,824	450,777
IMAX concession sales	266,022	260,483
Facility rental sales and commissions	223,543	199,695
Restaurant	44,917	53,139
Other Museum fees	20,991	6,250
	<u>\$ 4,309,793</u>	<u>\$ 4,317,839</u>

#### **GIFT SHOP SALES**

Sales from the gift shop are reported net of cost of goods sold. Sales for the years ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Gift shop sales	\$ 479,126	\$ 492,047
Cost of goods sold	(180,545)	(188,842)
Net gift shop sales	<u>\$ 298,581</u>	<u>\$ 303,205</u>

#### **DONATED SERVICES, FACILITIES, AND MATERIALS**

The Museum recognizes donated services that create or enhance nonfinancial assets or require specialized skills, and would typically need to be purchased if not provided by donation. The Museum received \$33,445 and \$40,717, in donated advertising and professional services during the years ended June 30, 2015 and 2014, respectively. The Museum received \$76,008 and \$8,393, respectively, in donated supplies, non-capitalized equipment, and food. The Museum received \$1,720,954 in donated facilities during the years ended June 30, 2015 and 2014.

Additionally, a number of persons have donated a significant amount of time and services to the Museum's operations that have not been recognized in the accompanying financial statements.

## MARBLES KIDS MUSEUM

### NOTES TO FINANCIAL STATEMENTS

#### CONCENTRATIONS

At June 30, 2015 and 2014, approximately 72% and 55%, respectively, of pledges receivable was due from one funding source.

#### RESTATEMENT

The Museum leases the building and land used for operations and the IMAX Theatre from Wake County (the “Landlord”) in the amount of \$1 for the entire term of the lease. The leases are for a period of ten years expiring on November 5, 2022. The Landlord is responsible for maintenance, repair, replacement, janitorial, pest control, security, and utilities in accordance with the terms of the lease agreements. In accordance with U.S. GAAP, donated utilities, long-lived assets, and the free use of facilities are required to be recorded at the net present value of the fair rental value of the assets over the term of the agreement. It was noted during the current year that the donated use of utilities, services, and use of the building was not recorded as of June 30, 2014. The following account balances were restated at June 30, 2014, to reflect donated utilities, long-lived assets, and free use of facilities.

	June 30, 2014 Originally Reported	Adjustments	June 30, 2014 Restated Balances
Total assets	\$ 4,833,112	\$ 12,400,292	\$ 17,233,404
Total public support and revenue	\$ 6,254,662	\$ 420,339	\$ 6,675,001
Total expenses	\$ 6,111,135	\$ 1,720,955	\$ 7,832,090
Temporarily restricted net assets	\$ 823,170	\$ 12,400,292	\$ 13,223,462

#### INCOME TAXES

The Museum’s revenue from IMAX commercial movies and concessions are considered unrelated business income. The Museum files federal and state corporate income tax returns and records the corresponding income tax payable and expense for taxes owed on the unrelated business income in the financial statements. No payments were made and no expenses were incurred for tax owed on unrelated business income for the years ended June 30, 2015 and 2014.

The Museum recognizes the tax benefit from a tax position only if it is more likely than not the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The Museum has analyzed its tax positions taken for filings with the Internal Revenue Service. The Museum believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Museum's financial condition, results of operations, or cash flows. Accordingly, the Museum has not recorded any tax assets or liabilities, or related accruals for interest and penalties, for uncertain income tax positions for the years ended June 30, 2015 and 2014.

**MARBLES KIDS MUSEUM****NOTES TO FINANCIAL STATEMENTS****FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various program services have been summarized on a functional basis. Accordingly, certain costs have been allocated between program and supporting services based on management's estimates. Program activities are those direct costs that specifically meet and carry out the exempt objectives for which the Museum was established. Supporting activities are indirect costs to the Museum that cannot be specifically identified with a particular program objective.

**RECLASSIFICATIONS**

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation. Such reclassifications had no effect on net assets.

**PRIOR YEAR INFORMATION**

The statement of activities and changes in net assets and functional expenses includes certain prior-year summarized comparative information in total but not by net asset class and functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Museum's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events for recognition or disclosure through October 15, 2015, which was the date that the financial statements were available to be issued. Management did not identify any events that occurred subsequent to year-end that require disclosure in the financial statements.

Carla G. Daniel, EA  
Andrea Woodell Eason, CPA  
Robin H. McDuffie, CPA  
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MEMBERS:  
  
American Institute of  
Certified Public Accountants

North Carolina Association of  
Certified Public Accountants

October 15, 2015

Board of Directors  
Marbles Kids Museum  
Raleigh, North Carolina

In planning and performing our audit of the financial statements of Marbles Kids Museum as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Marbles Kids Museum's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Museum's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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This communication is intended solely for the information and use of management, the Board of Directors, and others within the Museum and is not intended to be, and should not be, used by anyone other than these specified parties.

*Blackman & Sloop*

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# Marbles Kids Museum | Board of Directors FY 2015-16

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June 14, 2016

Dear Wake County Major Facilities Capital Projects Review Committee,

On behalf of MetLife Global Technology & Operations Center in Cary, I submit this letter of support for the Blount Street PLAY enhancements project at Marbles Kids Museum, a valuable partner in providing fun learning experiences for children and families. A new entry corridor to Marbles and the Moore Square District will improve the visibility of one of our state's most popular family destinations.

Wake County is experiencing rapid growth and is a magnet for companies like MetLife because of the skilled and diverse workforce. Cultural treasures like Marbles allow MetLife to attract and retain top talent, a driving force behind our recent investment to partner with Marbles in the creation of *Stepnotes*, the museum's new musical stairs experience.

To date, Marbles has channeled community investments into creating exhibits in its interior spaces. The time has come for Marbles to make significant improvements to its building exterior. Built by a predecessor museum during a different era in downtown Raleigh, the museum edifice appears designed to keep people out rather than welcome them in. The proposed Blount Street PLAY enhancements project is a can't-miss opportunity for Marbles to begin exterior enhancements that reflect its colorful contribution to the cultural landscape of our community.

MetLife is committed to maintaining our strong relationship with Marbles. We endorse this exciting capital project as a meaningful investment in improving Marbles capacity to serve the growing numbers of residents and visitors in Wake County.

Sincerely,

A handwritten signature in black ink, appearing to read "Geoffrey Lang", is written over a circular stamp. The signature is fluid and cursive, with a long horizontal stroke extending to the right. The circular stamp is partially obscured by the signature and contains some illegible text.

Geoffrey Lang

**Geoffrey J. Lang**  
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June 15, 2016

Dear Wake County Major Facilities Capital Projects Review Committee,

As President & CEO of Artspace, I ask for your support of the PLAY beautification project along Blount Street between Morgan and Hargett Streets being proposed by our neighboring nonprofit, Marbles Kids Museum.

Marbles is poised to act quickly to create a new, iconic entry corridor to its campus and the entire Moore Square District, a transformation that will add visual appeal to our County at a time when downtown is growing and changing.

As a neighbor nonprofit, I have seen the joy and vibrancy housed within the museum walls at Marbles. I believe this project has the power to communicate that positive vibe to all who pass by through the transformative power of art.

The intersection of art and play is a fresh approach to attracting visitors to our community, and will be valued by residents and visitors alike.

Please consider partnering with Marbles to transform a blank canvas into a beacon for creativity and vibrancy in our community.

Sincerely,



Mary Poole  
President & CEO

*inspiring creative energy!*