

Summary of Financial Highlights
THE SOLOMON R. GUGGENHEIM FOUNDATION
Consolidated Statements of Financial Position
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Assets:		
Cash and cash equivalents	\$ 9,274,259	\$ 3,587,172
Contributions receivable, net	11,684,629	14,689,068
Accounts receivable	1,554,450	1,349,686
Other receivables	2,035,621	2,051,126
Inventories	2,608,609	4,681,425
Prepaid expenses	1,441,646	2,346,016
Deferred costs	345,876	374,899
Investments	41,160,777	38,011,353
Property, equipment and leasehold improvements, net	64,872,770	65,985,342
Art collection	1	1
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Total assets	\$ 134,978,638	\$ 133,076,088
Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 12,221,878	\$ 12,218,458
Deferred income	859,396	1,839,567
Loan payable to Trust for Cultural Resources	24,900,000	26,300,000
Other loans payable	4,432,920	2,877,397
Total liabilities	42,414,194	43,235,422
Net assets:		
Unrestricted	28,027,252	32,695,679
Temporarily restricted	19,686,350	13,129,545
Permanently restricted	44,850,842	44,015,442
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Total net assets	92,564,444	89,840,666
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Total liabilities and net assets	\$ 134,978,638	\$ 133,076,088

Summary of Financial Highlights
THE SOLOMON R. GUGGENHEIM FOUNDATION
Consolidated Statement of Activities
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Operating support and revenue:		
Contributions, grants and bequests	\$ 14,468,927	\$ 20,590,649
Membership income	1,870,092	1,860,095
In-kind contributions	504,090	940,426
Benefit and special event income, net of direct expenses	399,560	710,611
Admissions	13,581,362	15,862,549
Traveling exhibition fees, royalties and other	6,270,677	5,100,489
Investment return (including spending amount for operations)	1,137,559	1,126,778
Short-term investment income	20,949	71,663
Auxiliary revenues	9,036,904	8,849,671
Total operating support and revenue	<u>47,290,120</u>	<u>55,112,931</u>
Operating expenses:		
Museum programs:		
Exhibition and projects	10,773,047	8,002,652
Traveling exhibitions	2,849,116	815,169
Curatorial and collection maintenance	6,320,009	7,685,397
Visitor services	4,676,921	6,063,768
Education	2,078,271	1,917,323
Auxiliary expenses, including cost of sales	10,022,785	9,295,825
Total program expenses	<u>36,729,149</u>	<u>33,780,134</u>
Supporting services:		
Management and general	8,512,141	9,411,261
Fundraising	2,399,035	2,393,906
Total supporting services	<u>10,911,176</u>	<u>11,805,167</u>
Total operating expenses	<u>47,640,325</u>	<u>45,585,301</u>
Operating support and revenue (under) over operating expenses	<u>(350,205)</u>	<u>9,527,630</u>
Nonoperating activity:		
Contributions	4,852,791	5,762,237
Write-off of contributions receivable	0	(6,617,439)
Gain on forgiveness of notes payable and accrued interest	0	4,183,227
Investment return (including spending amount of purchases of art)	0	(3,153,573)
Realized and unrealized gains on investments	1,801,139	0
Depreciation and amortization	(3,831,662)	(4,090,658)
Interest and fees related debt	(1,158,062)	(1,093,945)
Net loss on disposal of fixed assets	(82,605)	(742,380)
Loss on write-off of Museum expansion costs	0	(1,403,243)
Foreign currency translation	512,666	319,994
Change in net assets before other changes	<u>1,744,062</u>	<u>2,691,850</u>
Change in net assets related to collection items purchased:		
Contributions	801,436	1,821,264
Proceeds from the sale of art	900,000	0

Investment return (including spending amount for purchases of art)	73,788	256,544
Collection items purchased	<u>(795,508)</u>	<u>(1,203,269)</u>
Change in net assets	2,723,778	3,566,389
Net assets, beginning of year	<u>89,840,666</u>	<u>86,274,277</u>
Net assets, end of year	<u>\$ 92,564,444</u>	<u>\$ 89,840,666</u>

Summary of Financial Highlights
THE SOLOMON R. GUGGENHEIM
FOUNDATION

Change in Net Asset Balances

Years Ended December 31, 2003 and 2002

Net assets, beginning of year	\$ 89,840,666	\$ 86,274,277
Change in unrestricted net assets	(4,668,427)	10,537,875
Change in temporarily restricted net assets	6,556,805	(12,090,583)
Change in permanently restricted net assets	835,400	5,119,097
Total change in net assets	<u>2,723,778</u>	<u>3,566,389</u>
Net assets, end of year	<u>\$ 92,564,444</u>	<u>\$ 89,840,666</u>

Notes to the Summary of Financial Highlights

Note 1: This summary was prepared by the Solomon R. Guggenheim Foundation ("the Foundation") from its financial statements, which were audited by PricewaterhouseCoopers, LLP. The completed financial statements, including the related notes and auditor's report, are available upon written request.

Note 2: The Financial Highlights include the Foundation's accounts in New York City related to the Solomon R. Guggenheim Museum, the accounts maintained in Venice, Italy, for the Peggy Guggenheim Collection, and the accounts maintained in Las Vegas for the Guggenheim Hermitage Museum.

Note 3: All debt and equity securities are recorded at fair value determined on the basis of quoted market values. Realized gains and losses arising from the sale or other disposition of investments are determined by the first-in, first-out method.

Note 4: Land, building, building improvements and renovations, leasehold improvements and equipment purchases by the Foundation are recorded at cost. Normal repairs and maintenance are expensed as incurred. Depreciation, and amortization of assets under capital leases, is calculated by the straight line method over the estimated useful lives, ranging from 5 - 50 years, of the related assets.

Note 5: In accordance with industry practice, art objects purchased, donated and bequeathed are included in permanently restricted net assets at a value of \$1.

Note 6: In 1990, the Foundation entered into a loan agreement with the Trust for Cultural Resources ("the Trust") primarily to provide long-term financing of the cost of construction, renovation and equipping of certain of the Foundation's capital facilities. The Trust issued \$13,500,000 of 1990 Series A revenue bonds and \$41,400,000 of 1990 Series B revenue bonds. The Trust loaned the proceeds of the issuance of the bonds to the Foundation. In 2000, the Foundation's Series A revenue bonds were redeemed. While the bonds are not the debt of the Foundation, the agreement between the Foundation and the Trust obligates the Foundation to make payments equal to the debt service and sinking fund requirements, including any premium on redemption on the bonds. Payment of the principal and interest on the bonds is collateralized by an irrevocable letter of credit issued by a bank. As of December 31, 2003 and 2002 the Foundation was in compliance with the financial covenants of the letter of credit agreement.