

**ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA**

**ANNUAL FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012 AND 2011
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

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Independent Auditor's Report

To The Board of Governors
St. Louis County Historical Society
Duluth, Minnesota

We have audited the accompanying statements of financial position of St. Louis County Historical Society (Organization), a nonprofit organization, as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

The 2011 financial statements of St. Louis County Historical Society were audited by Eikill & Schilling Ltd., whose practice was acquired by Wipfli LLP as of December 1, 2012 whose report dated August 10, 2012, expressed an unqualified opinion on those 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Louis County Historical Society as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The 2011 schedule of functional expenses on page 14 was included in the 2011 financial statements audited by Eikill & Schilling Ltd, whose report dated August 10, 2012, reported on the schedule of functional expenses stated such information is fairly stated in all material respects in relation to the 2011 financial statements as a whole.

Wipfli LLP

Wipfli LLP

July 11, 2013
Duluth, Minnesota

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2012	2011
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 145,513	\$ 52,173
Accounts receivable	1,036	1,226
Grants receivable	108,899	25,000
Prepaid insurance	6,480	5,948
Total current assets	261,928	84,347
Other assets		
Assets held by others	113,697	78,556
Collections and exhibits	3,018,639	3,014,660
Furniture, fixtures and equipment	106,272	162,523
Leasehold improvements	29,689	29,689
Accumulated depreciation	(80,060)	(141,006)
Net furniture, fixtures, equipment and leasehold improvements	55,901	51,206
Total assets	\$ 3,450,165	\$ 3,228,769
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 2,247	\$ 2,109
Accrued payroll and taxes	8,314	9,546
Total current liabilities	10,561	11,655
Net assets		
Unrestricted		
Current	(13,583)	(8,581)
Furniture, fixtures, equipment and leasehold improvements	55,901	51,206
Collections	3,018,639	3,014,660
Board designated	114,504	79,363
Total unrestricted	3,175,461	3,136,648
Temporarily restricted	264,143	80,466
Total net assets	3,439,604	3,217,114
Total liabilities and net assets	\$ 3,450,165	\$ 3,228,769

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

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue						
Public support						
St. Louis County	\$ 317,998	\$	\$ 317,998	\$ 324,598	\$	\$ 324,598
Collections	3,979		3,979	5,803		5,803
Contributions and grants	43,042	233,807	276,849	7,492	46,035	53,527
Donated advertising	1,470		1,470	2,195		2,195
Donated professional fees	28,992		28,992	28,992		28,992
Donated rents, in-kind and volunteer services	59,352		59,352	147,120		147,120
Total public support	<u>454,833</u>	<u>233,807</u>	<u>688,640</u>	<u>516,200</u>	<u>46,035</u>	<u>562,235</u>
Revenue						
Memberships	12,275		12,275	14,501		14,501
Interest income	230		230	146		146
Change in value of assets held by others	8,941		8,941	(6,094)		(6,094)
Book sales	678		678	1,093		1,093
Special events and tours	4,755		4,755	3,910		3,910
Miscellaneous	1,349		1,349	6,231		6,231
Total revenue	<u>28,228</u>		<u>28,228</u>	<u>19,787</u>		<u>19,787</u>
Total public support and revenue	<u>483,061</u>	<u>233,807</u>	<u>716,868</u>	<u>535,987</u>	<u>46,035</u>	<u>582,022</u>
Net assets released from restrictions	<u>50,130</u>	<u>(50,130)</u>		<u>19,867</u>	<u>(19,867)</u>	
Expenses						
Unallocated payments to affiliated organizations	<u>58,116</u>		<u>58,116</u>	<u>59,304</u>		<u>59,304</u>
Functional expenses						
Program services						
Historical preservation	315,461		315,461	368,200		368,200
Supporting services						
Management and general	120,801		120,801	131,072		131,072
Total functional expenses	<u>436,262</u>		<u>436,262</u>	<u>499,272</u>		<u>499,272</u>
Total expenses	<u>494,378</u>		<u>494,378</u>	<u>558,576</u>		<u>558,576</u>
Changes in net assets	38,813	183,677	222,490	(2,722)	26,168	23,446
Net assets, beginning of year	<u>3,136,648</u>	<u>80,466</u>	<u>3,217,114</u>	<u>3,139,370</u>	<u>54,298</u>	<u>3,193,668</u>
Net assets, end of year	<u>\$ 3,175,461</u>	<u>\$ 264,143</u>	<u>\$ 3,439,604</u>	<u>\$ 3,136,648</u>	<u>\$ 80,466</u>	<u>\$ 3,217,114</u>

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

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2012	2011
Cash flows from operating activities		
Changes in net assets	\$ 222,490	\$ 23,446
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities		
Depreciation	13,038	14,099
Collections	(3,979)	(5,803)
Loss on disposal of asset	126	
Contributions restricted for assets held by others	(26,200)	
Change in value of assets held by others	(8,941)	6,094
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	190	(1,226)
Grants receivable	(83,899)	(20,000)
Prepaid insurance	(532)	(202)
Increase (decrease) in		
Accounts payable	138	(7,774)
Accrued payroll and taxes	(1,232)	(770)
Net cash provided by operating activities	111,199	7,864
Cash flows from investing activities		
Purchase of furniture, fixtures, equipment and leasehold improvements	(17,859)	(10,738)
Net increase (decrease) in cash and cash equivalents	93,340	(2,874)
Cash and cash equivalents, beginning of year	52,173	55,047
Cash and cash equivalents, end of year	\$ 145,513	\$ 52,173

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

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The St. Louis County Historical Society (the Society) was formed on a nonprofit basis on January 10, 1951, to discover, preserve, and disseminate knowledge about the history of St. Louis County and the State of Minnesota.

The Society receives a substantial amount of its revenue from St. Louis County.

Basis of Accounting - The accompanying financial statements are presented on the accrual basis.

Basis of Presentation - The Society reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents - For purposes of the Statements of Cash Flows, cash consists of demand deposits and a certificate of deposit.

Accounts and Grants Receivable - Accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are considered uncollectible. Based on assessment of the credit history with grantors and donors having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end are immaterial.

Collections and Exhibits - The Society capitalizes its collections. Accessions are capitalized at cost if purchased and at appraised or fair value at date of accession if received by donation. Exhibits are considered temporary and are expensed as they are purchased.

Fair Value Measurement - The Society categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follow:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, the Society may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture, Fixtures, Equipment and Leasehold Improvements - Purchased assets are stated at cost, with normal repairs and maintenance charged to operating expenses when incurred. Donated assets are capitalized at their estimated fair value when received. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Society reports expirations of donor restriction when the donated or acquired assets are placed in service as instructed by the donor. The Society reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of furniture and equipment is computed using the straight-line method over estimated useful lives of three to ten years. Depreciation of leasehold improvements is computed using the straight-line method over fifteen years. Depreciation expense was \$13,038 and \$14,099 for the years ended December 31, 2012 and 2011, respectively.

Unrestricted Net Assets - Used to account for resources currently available for use over which the Governing Board has discretionary control in carrying on the operations and purpose of the Society. Board designated funds are unrestricted fund balances designated by the Board of Directors to be used for specific purposes.

Temporarily Restricted Net Assets - Used to account for resources whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Society.

Permanently Restricted Net Assets - Used to account for resources required by donor to be maintained in perpetuity by the Society. The Society did not have any permanently restricted net assets at December 31, 2012 and 2011.

Contributions - Contributions are recognized when the donor makes a promise to give to the Society that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Advertising - The Society expenses advertising costs as incurred.

Functional Expenses - Expenses incurred specifically for program services or supporting services are charged directly to that function. Expenses incurred that benefit both program and supporting services are allocated in a manner to reflect a fair breakdown of expenses by function. No allocation of expense has been made to fund raising or public education, within the meaning of the state laws related to Minnesota charities, as they are not material program or supporting services of the Society.

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

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and Unrestricted Revenue - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Income Tax Status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities, if any, not directly related to the Organization's exempt purpose would subject the Organization to taxation as unrelated business income.

The Society's tax years prior to 2009 are no longer open for examination by federal and state taxing authorities.

Subsequent Events - In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through July 11, 2013, the date the financial statements were available to be issued.

NOTE 2 ASSETS HELD BY OTHERS

During 2012, the Mike Colalillo Medal of Honor Scholarship Fund was established with the Duluth-Superior Area Community Foundation by the St. Louis County Historical Society. The St. Louis County Historical Society is the sole beneficiary.

The St. Louis County Historical Society Designated Endowment Fund was established with the Depot Foundation by the Society in prior years. The St. Louis County Historical Society is the sole beneficiary.

Under Financial Accounting Standards Board's Accounting Standards Codification, Not-for-Profit Entities, Revenue Recognition, the portion of the funds contributed by the St. Louis County Historical Society is considered a reciprocal transfer because the St. Louis County Historical Society is also the beneficiary of the funds. The funds are reported as an asset of the St. Louis County Historical Society. The fair value of this asset was \$113,697 and \$78,556 as of December 31, 2012 and 2011, respectively. As of December 31, 2012 and 2011, this asset was valued using Level 3 inputs.

The change in this asset measured at fair value using Level 3 inputs on a recurring basis can be found in Note 3 for the years ending December 31, 2012 and 2011.

Unrealized changes in fair value are recorded in the change in value of assets held by others in the statement of activities.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

NOTE 3 ENDOWMENT FUND

The Board has established an Endowment Fund. The assets of the fund are held by the Duluth-Superior Area Community Foundation (DSACF) and the Depot Foundation (Depot) (see Note 2). DSACF and Depot have authority to hold, manage and invest the funds held on behalf of the Organization.

DSACF distributes net income at least annually. The distributions are available for the purposes of the Organization. The Organization may request additional distributions in accordance with the agreement with DSACF.

Changes in Unrestricted Net Assets - Board Designated Endowment for the years ended December 31, 2012 and 2011 is as follows:

Balance, December 31, 2010	\$	84,650
Net depreciation - realized and unrealized		(6,094)
Balance, December 31, 2011		<u>78,556</u>
Contribution		26,200
Investment fees		(173)
Net appreciation - realized and unrealized		<u>9,114</u>
Balance, December 31, 2012	\$	<u><u>113,697</u></u>

NOTE 4 NET ASSETS

Board designated net assets consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>
Endowment	\$ 113,697	\$ 78,556
Other	<u>807</u>	<u>807</u>
Total board designated net assets	<u><u>\$ 114,504</u></u>	<u><u>\$ 79,363</u></u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

NOTE 4 NET ASSETS (Continued)

Temporarily restricted net assets consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>
American Indian Project	\$ 202,107	\$ 31,582
Fessler Gallery Project	1,911	2,454
Great Hall Exhibit	29	18,000
Scholarships-VMH	29,226	12,287
Veterans Memorial Hall - Oral History Project	1,285	
Veterans Memorial Hall - Archives	25,000	
Korean War Oral History Project	4,585	
Veterans Memorial Hall		<u>16,143</u>
Total temporarily restricted net assets	<u>\$ 264,143</u>	<u>\$ 80,466</u>

NOTE 5 AMOUNTS PAID TO AFFILIATED ORGANIZATIONS

For the years ended December 31, 2012 and 2011, the Society distributed the following amounts to other regional St. Louis County historical societies and museums:

	<u>2012</u>	<u>2011</u>
Ely-Winton Historical Society	\$ 13,664	\$ 13,944
Hibbing Historical Society	12,096	12,344
Tower-Soudan Historical Society	6,608	6,744
Virginia Historical Society	12,196	12,444
Museum of Mining	8,872	9,052
Sisu Heritage, Inc.	4,680	4,776
Total	<u>\$ 58,116</u>	<u>\$ 59,304</u>

NOTE 6 DONATED RENTS AND SERVICES

The Society is located at 506 West Michigan Street, Duluth, Minnesota, in the St. Louis County Heritage & Arts Center. At this location, office and exhibit space and various services were being donated to the Society during 2011. During 2012, it was determined that the value of donated rents and services at this location were inconsequential.

Space and professional fees are also being donated at the University of Minnesota-Duluth for use by the Society. The following donated rent and services are shown in the accompanying financial statements as both contribution income and expenses.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

NOTE 6 DONATED RENTS AND SERVICES (Continued)

	Donated Value	
	2012	2011
St. Louis County Historical Union Depot (space and services)	\$	\$ 87,768
U.M.D. (space)	59,352	59,352
Total	\$ 59,352	\$ 147,120
Donated professional fees - U.M.D.	\$ 28,992	\$ 28,992
Donated advertising	\$ 1,470	\$ 2,195

Donated services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Society. Volunteers also provided a variety of tasks and fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Those amounts have an estimated value of \$13,200 and \$10,300 for the years ended December 31, 2012 and 2011, respectively.

NOTE 7 PENSION PLAN

The Society participates in a defined contribution plan through the TIAA-CREF. This plan covers employees who work at least 1000 hours per year, are twenty-one years of age and older, and have at least eighteen months of service. Contributions are three percent of each covered employee's salary and totaled \$4,756 and \$4,793 for the years ended December 31, 2012 and 2011, respectively.

NOTE 8 LEASE AGREEMENT

The Society had a two-year lease agreement commencing January 1, 2004 and ending on December 31, 2005 with St. Louis County. The lease has been extended verbally on an annual basis. The terms of the lease call for the use of office and exhibit space located at 506 West Michigan Street. The use of the donated space and services provided by the County has been recorded as described in Note 6.

The lease calls for an additional annual common area maintenance charge when actual operating costs of the building, as described in the lease agreement, exceed an allocated base amount. The common area maintenance charges to the Society were \$8,208 and \$4,431 for the years ended December 31, 2012 and 2011, respectively.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

NOTE 9 OFFICERS AND BOARD OF GOVERNORS

The Officers and Board of Governors for 2012 were:

Officers

President	Dwight Nelson
Vice President	Jill Dupont
Treasurer	Clyde Rogers
Secretary	Richard Chapman
Honorary Vice President Emeritus	Robert S. Mars, Jr.

Board of Governors

Leonard Hirsch	Representing Hibbing Historical Society
Gail Shedly	Representing Ely-Winton Historical Society
Caryl Tamte	Representing Virginia Area Historical Society
Judy Pelletier	Representing Minnesota Museum of Mining
Richard Hanson	Representing Tower-Soudan Historical Society
Leone Graf	Representing Sisu Heritage Inc.
Michael Forsman	County Representative
Neill Atkins	
Robert Evans	
Alfred France	
John Marshall	
Jim Schwarzbauer	
Larry Sommer	
Diane Vertin	

Executive Director

Jo Anne Coombe

SUPPLEMENTAL INFORMATION

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Program Services Historical Preservation</u>	<u>Supporting Services Management and General</u>	<u>Total</u>
Salaries	\$ 100,753	\$ 67,903	\$ 168,656
Payroll taxes and related payroll expenses	10,476	7,061	17,537
Employee health insurance	16,045	10,814	26,859
Pension	2,791	1,965	4,756
Total salaries and related expenses	<u>130,065</u>	<u>87,743</u>	<u>217,808</u>
Advertising	189		189
Donated advertising	1,470		1,470
Common area maintenance	7,387	821	8,208
Dues and subscriptions	730	182	912
Insurance	13,088		13,088
Miscellaneous	1,077	1,077	2,154
Office supplies	4,056	4,055	8,111
Postage	1,806	602	2,408
Printing and reproduction	2,174	543	2,717
Professional services		16,877	16,877
Professional services-donated	28,992		28,992
Project costs	39,142		39,142
Rent - donated	56,384	2,968	59,352
Rental off-site storage	1,231		1,231
Repairs and maintenance	103	11	114
Special events	4,148		4,148
Telephone	4,825	1,608	6,433
Travel and staff expense	2,006	3,010	5,016
Museum - exhibits and supplies, conservation, repair, and acquisition of collection	4,854		4,854
Total functional expenses before depreciation	<u>303,727</u>	<u>119,497</u>	<u>423,224</u>
Depreciation	<u>11,734</u>	<u>1,304</u>	<u>13,038</u>
Total functional expenses	<u>\$ 315,461</u>	<u>\$ 120,801</u>	<u>\$ 436,262</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Program Services</u> <u>Historical Preservation</u>	<u>Supporting Services</u> <u>Management and General</u>	<u>Total</u>
Salaries	\$ 101,252	\$ 68,426	\$ 169,678
Payroll taxes and related payroll expenses	10,504	7,098	17,602
Employee health insurance	15,746	10,641	26,387
Pension	2,814	1,979	4,793
Total salaries and related expenses	<u>130,316</u>	<u>88,144</u>	<u>218,460</u>
Advertising	261		261
Donated advertising	2,195		2,195
Common area maintenance	4,039	449	4,488
Dues and subscriptions	686	172	858
Insurance	12,189		12,189
Miscellaneous	1,066	1,066	2,132
Office supplies	3,913	3,913	7,826
Postage	1,724	575	2,299
Printing and reproduction	1,660	415	2,075
Professional services		22,730	22,730
Professional services-donated	28,992		28,992
Project costs	3,074		3,074
Rent - donated	139,764	7,356	147,120
Rental off-site storage	3,539		3,539
Repairs and maintenance	1,417	157	1,574
Special events	5,098		5,098
Telephone	4,473	1,491	5,964
Travel and staff expense	2,130	3,194	5,324
Museum - exhibits and supplies, conservation, repair, and acquisition of collection	8,975		8,975
Total functional expenses before depreciation	<u>355,511</u>	<u>129,662</u>	<u>485,173</u>
Depreciation	<u>12,689</u>	<u>1,410</u>	<u>14,099</u>
Total functional expenses	<u>\$ 368,200</u>	<u>\$ 131,072</u>	<u>\$ 499,272</u>