

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

**ANNUAL FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

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Independent Auditor's Report

August 10, 2012

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 (Society), a nonprofit organization, as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Eikill & Schilling Ltd.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2011	2010
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 40,553	\$ 43,537
Certificates of deposit	11,620	11,510
Accounts receivable	1,226	
Grants receivable	25,000	5,000
Prepaid insurance	5,948	5,746
Total current assets	84,347	65,793
Beneficial interest in perpetual trust	78,556	84,650
Collections	3,014,660	3,008,857
Furniture, fixtures and equipment	162,523	151,785
Leasehold improvements	29,689	29,689
Accumulated depreciation	(141,006)	(126,907)
Net furniture, fixtures, equipment and leasehold improvements	51,206	54,567
Total assets	\$ 3,228,769	\$ 3,213,867
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 2,109	\$ 9,883
Accrued payroll and taxes	9,546	10,316
Total current liabilities	11,655	20,199
Net assets		
Unrestricted		
Current	(8,581)	(9,511)
Furniture, fixtures, equipment and leasehold improvements	51,206	54,567
Collections	3,014,660	3,008,857
Board designated	807	807
Total unrestricted	3,058,092	3,054,720
Temporarily restricted	80,466	54,298
Permanently restricted	78,556	84,650
Total net assets	3,217,114	3,193,668
Total liabilities and net assets	\$ 3,228,769	\$ 3,213,867

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,

	2011			2010				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support, revenue gains and losses								
Public support								
St. Louis County	\$ 324,598	\$	\$	\$ 324,598	\$ 267,686	\$ 56,912	\$	\$ 324,598
Collections	5,803			5,803	3,234			3,234
Contributions and grants	7,492	46,035		53,527	100	53,444		53,544
Donated advertising	2,195			2,195				
Donated professional fees	28,992			28,992	30,000			30,000
Donated rents, in-kind and volunteer services	147,120			147,120	147,120			147,120
Total public support	516,200	46,035		562,235	448,140	110,356		558,496
Revenue, gains and losses								
Memberships	14,501			14,501	13,410			13,410
Interest income	146			146	159			159
Change in value of beneficial interest			(6,094)	(6,094)			1,012	1,012
Book sales	1,093			1,093				
Special events and tours	3,910			3,910	2,520			2,520
Miscellaneous	6,231			6,231	3,568			3,568
Total revenue	25,881		(6,094)	19,787	19,657		1,012	20,669
Total public support, revenue, gains and losses	542,081	46,035	(6,094)	582,022	467,797	110,356	1,012	579,165
Net assets released from restrictions	19,867	(19,867)			111,643	(111,643)		
Expenses								
Unallocated payments to affiliated organizations	59,304			59,304	59,304			59,304
Functional expenses								
Program services								
Historical preservation	368,200			368,200	377,144			377,144
Supporting services								
Management and general	131,072			131,072	137,462			137,462
Total functional expenses	499,272			499,272	514,606			514,606
Total expenses	558,576			558,576	573,910			573,910
Changes in net assets	3,372	26,168	(6,094)	23,446	5,530	(1,287)	1,012	5,255
Net assets, beginning of year	3,054,720	54,298	84,650	3,193,668	3,049,190	55,585	83,638	3,188,413
Net assets, end of year	\$ 3,058,092	\$ 80,466	\$ 78,556	\$ 3,217,114	\$ 3,054,720	\$ 54,298	\$ 84,650	\$ 3,193,668

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,

	2011	2010
Cash flows from operating activities		
Changes in net assets	\$ 23,446	\$ 5,255
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	14,099	13,457
Collections	(5,803)	(3,234)
Change in value of beneficial interest	6,094	(1,012)
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	(1,226)	
Promises to give receivable		1,753
Grants receivable	(20,000)	15,959
Prepaid insurance	(202)	25
Increase (decrease) in		
Accounts payable	(7,774)	390
Accrued payroll and taxes	(770)	1,230
Net cash provided by operating activities	7,864	33,823
Cash flows from investing activities		
Purchase of furniture, fixtures, equipment and leasehold improvements	(10,738)	(22,101)
Purchase of certificates of deposit	(110)	(120)
Net cash used in investing activities	(10,848)	(22,221)
Net increase (decrease) in cash	(2,984)	11,602
Cash, beginning of year	43,537	31,935
Cash, end of year	\$ 40,553	\$ 43,537

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

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The St. Louis County Historical 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, the Society considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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.

Accounts, Grants, and Promises to Give Receivable - Accounts, grants, and promises to give 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.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 five to ten years. Depreciation of leasehold improvements is computed using the straight-line method over fifteen years. Depreciation expense was \$14,099 and \$13,457 for the years ended December 31, 2011 and 2010, 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.

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.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2008 are no longer open for examination by federal and state taxing authorities.

Reclassifications - Certain items from the prior year's financial statements have been reclassified to conform to the current year presentation.

Subsequent Events - In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through August 10, 2012, the date the financial statements were available to be issued.

NOTE 2 CERTIFICATES OF DEPOSIT

Certificates of deposit consisted of the following at December 31:

	<u>Maturity Date</u>	<u>Rate</u>	<u>2011</u>	<u>2010</u>
Certificate #11000008	09/30/12	0.85%	<u>\$ 11,620</u>	<u>\$ 11,510</u>

NOTE 3 BENEFICIAL INTEREST IN PERPETUAL TRUST

The Society is a beneficiary of an endowment fund held in perpetuity by the Depot Foundation. A beneficial interest of an endowment fund held in perpetuity is recorded at the fair value of the fund's assets. Any distributions from the fund are considered unrestricted income when received.

Fair value adjustments to the beneficial interest in perpetual trust are recorded on a recurring basis. For additional information on how the Organization measures fair value, refer to Note 1 - Summary of Significant Accounting Principles.

The fair value was measured using Level 3 inputs.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

NOTE 3 BENEFICIAL INTEREST IN PERPETUAL TRUST (Continued)

The gain or losses related to fair value measurement using Level 3 inputs were recorded as permanently restricted in the statement of activities as follows for the years ended December 31:

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 84,650	\$ 83,638
Change in value of beneficial interest in perpetual trust (included in permanently restricted changes in net assets)	<u>(6,094)</u>	<u>1,012</u>
Balance at end of year	<u><u>\$ 78,556</u></u>	<u><u>\$ 84,650</u></u>

The Depot Foundation has informed the Society that the endowment fund, described above, was reclassified on the Depot Foundation's financial statements for the year ended June 30, 2002. The Depot Foundation asserts that they have variance power over the endowment fund, and therefore they have reclassified the fund as board-designated unrestricted net assets. By definition, board-designated unrestricted net assets can be redirected or re-designated by an organization's board of directors to any other charitable organization in the future.

It is the Society's position that the Depot Foundation does not have variance power over these assets and therefore a beneficial interest in the endowment fund held in perpetuity has been recorded in these financial statements.

NOTE 4 NET ASSETS

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

	<u>2011</u>	<u>2010</u>
American Indian Project	\$ 31,582	\$ 25,884
Fessler Gallery Project	2,454	
Great Hall Exhibit	18,000	5,106
Scholarships-VMH	12,287	600
Veterans Memorial Hall	<u>16,143</u>	<u>22,708</u>
Total temporarily restricted net assets	<u><u>\$ 80,466</u></u>	<u><u>\$ 54,298</u></u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

NOTE 4 NET ASSETS (Continued)

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

	<u>2011</u>	<u>2010</u>
Funds held by the Depot Foundation Beneficial interest in perpetual trust	<u>\$ 78,556</u>	<u>\$ 84,650</u>

NOTE 5 AMOUNTS PAID TO AFFILIATED ORGANIZATIONS

For the years ended December 31, 2011 and 2010, the Society distributed the following amounts to other regional St. Louis County historical societies and museums:

	<u>2011</u>	<u>2010</u>
Ely-Winton Historical Society	\$ 13,944	\$ 13,944
Hibbing Historical Society	12,344	12,344
Tower-Soudan Historical Society	6,744	6,744
Virginia Historical Society	12,444	12,444
Museum of Mining	9,052	9,052
Sisu Heritage, Inc.	<u>4,776</u>	<u>4,776</u>
Total	<u>\$ 59,304</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 are being donated to the Society. 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.

	<u>Donated Value</u>	
	<u>2011</u>	<u>2010</u>
St. Louis County Historical Union Depot (space and services)	\$ 87,768	\$ 87,768
U.M.D. (space)	<u>59,352</u>	<u>59,352</u>
Total	<u>\$ 147,120</u>	<u>\$ 147,120</u>
Donated professional fees - U.M.D.	<u>\$ 28,992</u>	<u>\$ 30,000</u>
Donated advertising	<u>\$ 2,195</u>	<u>\$</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

NOTE 6 DONATED RENTS AND SERVICES (Continued)

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 \$10,300 and \$10,200 for the years ended December 31, 2011 and 2010, 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 \$4,793 and \$4,954 for the years ended December 31, 2011 and 2010, 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 \$4,431 for each year ended December 31, 2011 and 2010.

NOTE 9 OFFICERS AND BOARD OF GOVERNORS

The Officers and Board of Governors for 2011 were:

Officers

President	Dwight Nelson
Vice President	Michele Miller
Treasurer	Don Annala
Secretary	Richard Chapman
Honorary Vice President Emeritus	Robert S. Mars, Jr.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

NOTE 9 OFFICERS AND BOARD OF GOVERNORS (Continued)

Board of Governors

Leonard Hirsch	Representing Hibbing Historical Society
Gail Sheddy	Representing Ely-Winton Historical Society
Caryl Tamte	Representing Virginia Area Historical Society
Carol Borich	Representing Minnesota Museum of Mining
Andrew Larson	Representing Tower-Soudan Historical Society
Paul Knuti	Representing Sisu Heritage Inc.
Michael Forsman	County Representative
Neill Atkins	
M. Jill Dupont	
Clyde Rogers	
Larry Sommer	

Executive Director

Jo Anne Coombe

SUPPLEMENTAL INFORMATION

Dean R. Ager, CPA
Michael S. Altman, CPA
Deborah J. Medlin, CPA
Darla R. Benoit, CPA
Ronald E. Peterson, CPA/ABV
Thomas J. Eling, CPA
Thomas L. Sykes, CPA of Counsel

Independent Auditor's Report on Supplemental Information

August 10, 2012

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

We have audited the financial statements of St. Louis County Historical Society as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated August 10, 2012, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses is presented for the 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Eikill & Schilling Ltd.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

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

	<u>Program Services Historical Preservation</u>	<u>Supporting Services 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>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Program Services</u> <u>Historical Preservation</u>	<u>Supporting Services</u> <u>Management and General</u>	<u>Total</u>
Salaries	\$ 107,704	\$ 68,426	\$ 176,130
Payroll taxes and related payroll expenses	10,986	6,980	17,966
Employee health insurance	15,456	9,820	25,276
Pension	2,975	1,979	4,954
Total salaries and related expenses	<u>137,121</u>	<u>87,205</u>	<u>224,326</u>
Advertising	649		649
Common area maintenance	3,988	443	4,431
Dues and subscriptions	674	168	842
Insurance	12,251		12,251
Miscellaneous	1,396	1,396	2,792
Office supplies	4,696	4,695	9,391
Postage	1,842	614	2,456
Printing and reproduction	3,093	773	3,866
Professional services		29,179	29,179
Professional services-donated	30,000		30,000
Project costs	5,311		5,311
Rent - donated	139,764	7,356	147,120
Rental off-site storage	7,239		7,239
Repairs and maintenance	1,204	134	1,338
Special events	3,571		3,571
Telephone	2,887	962	3,849
Travel and staff expense	2,127	3,191	5,318
Museum - exhibits and supplies, conservation, repair, and acquisition of collection	7,220		7,220
Total functional expenses before depreciation	<u>365,033</u>	<u>136,116</u>	<u>501,149</u>
Depreciation	<u>12,111</u>	<u>1,346</u>	<u>13,457</u>
Total functional expenses	<u>\$ 377,144</u>	<u>\$ 137,462</u>	<u>\$ 514,606</u>