

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

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
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 financial statements of St. Louis County Historical Society (Organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of functional expenses appearing on pages 13 through 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

June 24, 2014
Duluth, Minnesota

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2013	2012
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 139,464	\$ 145,513
Accounts receivable	39,877	1,036
Grants receivable	45,000	108,899
Prepaid insurance	7,253	6,480
Total current assets	231,594	261,928
Other assets		
Assets held by others	123,563	113,697
Collections and exhibits	3,030,490	3,018,639
Furniture, fixtures and equipment	101,610	106,272
Leasehold improvements	29,689	29,689
Construction in progress	184,596	
Accumulated depreciation	(91,951)	(80,060)
Net furniture, fixtures, equipment, leasehold improvements and construction in progress	223,944	55,901
Total assets	\$ 3,609,591	\$ 3,450,165
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 59,155	\$ 2,247
Accrued payroll and taxes	9,246	8,314
Deferred membership revenue	5,288	5,699
Total current liabilities	73,689	16,260
Net assets		
Unrestricted		
Current	(9,152)	(19,282)
Furniture, fixtures, equipment, leasehold improvements, and construction in progress	223,944	55,901
Collections	3,030,490	3,018,639
Board designated	124,370	114,504
Total unrestricted	3,369,652	3,169,762
Temporarily restricted	166,250	264,143
Total net assets	3,535,902	3,433,905
Total liabilities and net assets	\$ 3,609,591	\$ 3,450,165

See accompanying notes to financial statements.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue						
Public support						
St. Louis County	\$ 317,998	\$	\$ 317,998	\$ 317,998	\$	\$ 317,998
Collections	11,850		11,850	3,979		3,979
Contributions and grants	66,205	32,100	98,305	43,042	233,807	276,849
Donated advertising	4,930		4,930	1,470		1,470
Donated professional fees	777		777	28,992		28,992
Donated rents, in-kind and volunteer services	40,045		40,045	59,352		59,352
Total public support	<u>441,805</u>	<u>32,100</u>	<u>473,905</u>	<u>454,833</u>	<u>233,807</u>	<u>688,640</u>
Revenue						
Memberships	10,311		10,311	12,275		12,275
Interest income	150		150	230		230
Change in value of assets held by others	9,866		9,866	8,941		8,941
Book sales	1,283		1,283	678		678
Special events and tours	3,660		3,660	4,755		4,755
Insurance proceeds	39,188		39,188			
Miscellaneous	1,753		1,753	1,349		1,349
Total revenue	<u>66,211</u>		<u>66,211</u>	<u>28,228</u>		<u>28,228</u>
Total public support and revenue	<u>508,016</u>	<u>32,100</u>	<u>540,116</u>	<u>483,061</u>	<u>233,807</u>	<u>716,868</u>
Net assets released from restrictions	<u>129,993</u>	<u>(129,993)</u>		<u>50,130</u>	<u>(50,130)</u>	
Expenses						
Unallocated payments to affiliated organizations	<u>58,118</u>		<u>58,118</u>	<u>58,116</u>		<u>58,116</u>
Functional expenses						
Program services						
Historical preservation	261,055		261,055	315,461		315,461
Supporting services						
Management and general	<u>118,946</u>		<u>118,946</u>	<u>120,801</u>		<u>120,801</u>
Total functional expenses	<u>380,001</u>		<u>380,001</u>	<u>436,262</u>		<u>436,262</u>
Total expenses	<u>438,119</u>		<u>438,119</u>	<u>494,378</u>		<u>494,378</u>
Changes in net assets	199,890	(97,893)	101,997	38,813	183,677	222,490
Net assets, beginning of year	<u>3,169,762</u>	<u>264,143</u>	<u>3,433,905</u>	<u>3,130,949</u>	<u>80,466</u>	<u>3,211,415</u>
Net assets, end of year	<u>\$ 3,369,652</u>	<u>\$ 166,250</u>	<u>\$ 3,535,902</u>	<u>\$ 3,169,762</u>	<u>\$ 264,143</u>	<u>\$ 3,433,905</u>

See accompanying notes to financial statements.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Changes in net assets	\$ 101,997	\$ 222,490
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities		
Depreciation	17,314	13,038
Collections	(11,851)	(3,979)
Loss on disposal of asset	39	126
Contributions restricted for assets held by others		(26,200)
Change in value of assets held by others	(9,866)	(8,941)
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	(38,841)	190
Grants receivable	63,899	(83,899)
Prepaid insurance	(773)	(532)
Increase (decrease) in		
Accounts payable	56,908	138
Accrued payroll and taxes	932	(1,232)
Deferred revenue	(411)	
Net cash provided by operating activities	<u>179,347</u>	<u>111,199</u>
Cash flows from investing activities		
Purchase of furniture, fixtures, equipment and leasehold improvements	<u>(185,396)</u>	<u>(17,859)</u>
Net increase (decrease) in cash and cash equivalents	(6,049)	93,340
Cash and cash equivalents, beginning of year	<u>145,513</u>	<u>52,173</u>
Cash and cash equivalents, end of year	<u>\$ 139,464</u>	<u>\$ 145,513</u>

See accompanying notes to financial statements.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture, Fixtures, Equipment, Leasehold Improvements, and Construction in Progress -

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 \$17,314 and \$13,038 for the years ended December 31, 2013 and 2012, 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, 2013 and 2012.

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 accordance 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
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 2010 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 June 24, 2014, 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 \$123,563 and \$113,697 as of December 31, 2013 and 2012, respectively. As of December 31, 2013 and 2012, 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, 2013 and 2012.

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
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 2013 and 2012 is as follows:

Balance, December 31, 2011	\$	78,556
Contribution		26,200
Investment fees		(173)
Net appreciation - realized and unrealized		9,114
Balance, December 31, 2012		<u>113,697</u>
Investment fees		(308)
Net appreciation - realized and unrealized		<u>10,174</u>
Balance, December 31, 2013	<u>\$</u>	<u>123,563</u>

NOTE 4 NET ASSETS

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

	<u>2013</u>	<u>2012</u>
Endowment	\$ 123,563	\$ 113,697
Other	<u>807</u>	<u>807</u>
Total Board designated net assets	<u>\$ 124,370</u>	<u>\$ 114,504</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 4 NET ASSETS (Continued)

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

	<u>2013</u>	<u>2012</u>
American Indian Project	\$ 92,096	\$ 202,107
Fessler Gallery Project	1,776	1,911
Great Hall Exhibit	29	29
Scholarships-VMH	29,322	29,226
Mezzanine Project	32,004	
Veterans Memorial Hall - Oral History Project		1,285
Veterans Memorial Hall - Archives	11,023	25,000
Korean War Oral History Project		4,585
	<u> </u>	<u> </u>
Total temporarily restricted net assets	<u>\$ 166,250</u>	<u>\$ 264,143</u>

NOTE 5 AMOUNTS PAID TO AFFILIATED ORGANIZATIONS

For the years ended December 31, 2013 and 2012, the Society distributed the following amounts to other regional St. Louis County historical societies and museums:

	<u>2013</u>	<u>2012</u>
Ely-Winton Historical Society	\$ 13,666	\$ 13,664
Hibbing Historical Society	12,096	12,096
Tower-Soudan Historical Society	6,608	6,608
Virginia Historical Society	12,196	12,196
Museum of Mining	8,872	8,872
Sisu Heritage, Inc.	4,680	4,680
	<u> </u>	<u> </u>
Total	<u>\$ 58,118</u>	<u>\$ 58,116</u>

NOTE 6 DONATED RENTS AND SERVICES

Space and professional fees are 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
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 6 DONATED RENTS AND SERVICES (Continued)

	Donated Value	
	2013	2012
U.M.D. (space)	<u>\$ 40,045</u>	<u>\$ 59,352</u>
Donated professional fees - U.M.D.	<u>\$ 777</u>	<u>\$ 28,992</u>
Donated advertising	<u>\$ 4,930</u>	<u>\$ 1,470</u>

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 \$15,900 and \$13,200 for the years ended December 31, 2013 and 2012, 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 \$4,454 and \$4,756 for the years ended December 31, 2013 and 2012, 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 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 \$8,208 for the years ended December 31, 2013 and 2012, respectively.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 9 OFFICERS AND BOARD OF GOVERNORS

The Officers and Board of Governors for 2013 were:

Officers

President	Jill Dupont
Vice President	Jim Schwarzbauer
Treasurer	Clyde Rogers
Secretary	Gail Shedly
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
Wes Berntson	
David Bouschor	
Thomas Buck	
Robert Evans	
Linda Grover	
John Marshall	
Jim Schwarzbauer	
Larry Sommer	
John Werner	

Executive Director

JoAnne Coombe

SUPPLEMENTAL INFORMATION

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Historical Preservation</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 99,911	\$ 69,821	\$ 169,732
Payroll taxes and related payroll expenses	9,942	6,947	16,889
Employee health insurance	13,903	9,715	23,618
Pension	2,434	2,020	4,454
Total salaries and related expenses	<u>126,190</u>	<u>88,503</u>	<u>214,693</u>
Advertising	137		137
Donated advertising	4,930		4,930
Common area maintenance	7,387	821	8,208
Dues and subscriptions	884	221	1,105
Insurance	14,392		14,392
Miscellaneous	1,903	1,902	3,805
Office supplies	3,618	3,617	7,235
Postage	1,349	450	1,799
Printing and reproduction	1,660	415	2,075
Professional services		15,475	15,475
Professional services-donated	777		777
Project costs	24,911		24,911
Rent - donated	38,043	2,002	40,045
Repairs and maintenance	3,739	415	4,154
Special events	2,270		2,270
Telephone	3,780	1,260	5,040
Travel and staff expense	1,423	2,134	3,557
Museum - exhibits and supplies, conservation, repair, and acquisition of collection	8,079		8,079
Total functional expenses before depreciation	<u>245,472</u>	<u>117,215</u>	<u>362,687</u>
Depreciation	<u>15,583</u>	<u>1,731</u>	<u>17,314</u>
Total functional expenses	<u>\$ 261,055</u>	<u>\$ 118,946</u>	<u>\$ 380,001</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

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

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