

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

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
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 (the Society), which comprise the statements of financial position as of December 31, 2014 and 2013, 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 the Society as of December 31, 2014 and 2013, and the change 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 as a whole. The schedules of functional expenses appearing on pages 15 through 16 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 as a whole.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

July 6, 2015
Duluth, Minnesota

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2014	2013
<u>ASSETS</u>		
Current assets		
Cash	\$ 73,156	\$ 139,464
Accounts receivable	1,655	39,877
Grants receivable	50,000	45,000
Prepaid insurance	7,154	7,253
Total current assets	131,965	231,594
Other assets		
Assets held by others	121,986	123,563
Collections and exhibits	3,033,218	3,030,490
Furniture, fixtures and equipment	113,216	101,610
Leasehold improvements	29,689	29,689
Construction in progress	216,833	184,596
Accumulated depreciation	(108,274)	(91,951)
Net furniture, fixtures, equipment, leasehold improvements and construction in progress	251,464	223,944
Total assets	\$ 3,538,633	\$ 3,609,591
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Current portion of capital lease payable	\$ 1,896	\$ 59,155
Accounts payable	5,062	9,246
Accrued payroll and taxes	10,010	5,288
Deferred membership revenue	5,876	73,689
Total current liabilities	22,844	73,689
Capital lease payable, net of current portion	7,782	
Net assets		
Unrestricted		
Undesignated	3,285,613	3,245,282
Board designated	122,793	124,370
Temporarily restricted	99,601	166,250
Total net assets	3,508,007	3,535,902
Total liabilities and net assets	\$ 3,538,633	\$ 3,609,591

See accompanying notes to financial statements.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2014			2013		
	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	2,728		2,728	11,850		11,850
Contributions and grants	37,439		37,439	66,205	32,100	98,305
Donated advertising				4,930		4,930
Donated professional fees				777		777
Donated rents	40,045		40,045	40,045		40,045
Total public support	<u>398,210</u>		<u>398,210</u>	<u>441,805</u>	<u>32,100</u>	<u>473,905</u>
Revenue						
Memberships	9,652		9,652	10,311		10,311
Interest income	109		109	150		150
Change in value of assets held by others	(1,577)		(1,577)	9,866		9,866
Book sales	557		557	1,283		1,283
Special events and tours, net of expenses of \$9,739 in 2014 and \$3,055 in 2013	4,481		4,481	605		605
Insurance proceeds	7,215		7,215	39,188		39,188
Miscellaneous	2,795		2,795	2,590		2,590
Total revenue	<u>23,232</u>		<u>23,232</u>	<u>63,993</u>		<u>63,993</u>
Total public support and revenue	<u>421,442</u>		<u>421,442</u>	<u>505,798</u>	<u>32,100</u>	<u>537,898</u>
Net assets released from restrictions	66,649	(66,649)		129,993	(129,993)	
Expenses						
Unallocated payments to affiliated organizations	58,040		58,040	58,118		58,118
Functional expenses						
Program services						
Historical preservation	270,999		270,999	258,418		258,418
Supporting services						
Management and general	120,298		120,298	119,365		119,365
Total functional expenses	<u>391,297</u>		<u>391,297</u>	<u>377,783</u>		<u>377,783</u>
Total expenses	<u>449,337</u>		<u>449,337</u>	<u>435,901</u>		<u>435,901</u>
Change in net assets	38,754	(66,649)	(27,895)	199,890	(97,893)	101,997
Net assets, beginning of year	3,369,652	166,250	3,535,902	3,169,762	264,143	3,433,905
Net assets, end of year	<u>\$ 3,408,406</u>	<u>\$ 99,601</u>	<u>\$ 3,508,007</u>	<u>\$ 3,369,652</u>	<u>\$ 166,250</u>	<u>\$ 3,535,902</u>

See accompanying notes to financial statements.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ (27,895)	\$ 101,997
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities		
Depreciation	16,873	17,314
Collections	(2,728)	(11,851)
Loss on disposal of asset		39
Change in value of assets held by others	1,577	(9,866)
Change in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	38,222	(38,841)
Grants receivable	(5,000)	63,899
Prepaid insurance	99	(773)
Increase (decrease) in		
Accounts payable	(54,093)	56,908
Accrued payroll and taxes	764	932
Deferred membership revenue	588	(411)
Net cash provided by (used in) operating activities	(31,593)	179,347
Cash flows from investing activities		
Purchase of furniture, fixtures, equipment, leasehold improvements and construction in progress	(33,815)	(185,396)
Cash flows from financing activities		
Payments on capital lease payable	(900)	
Net decrease in cash and cash equivalents	(66,308)	(6,049)
Cash, beginning of year	139,464	145,513
Cash, end of year	\$ 73,156	\$ 139,464
Supplemental disclosures		
Interest paid	\$ 357	\$
Noncash investing and financing transactions		
Furniture, fixture and equipment financed through capital lease	\$ 10,578	

See accompanying notes to financial statements.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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 - 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.

Furniture, Fixtures, Equipment, Leasehold Improvements, and Construction in Progress - Purchased assets over \$500 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 \$16,873 and \$17,314 for the years ended December 31, 2014 and 2013, respectively.

The Society plans to construct a new exhibit in Duluth. The total estimated cost to complete the construction is approximately \$52,400 and is expected to be completed by December 31, 2015.

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.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2014 and 2013.

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.

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 Society 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 Society's exempt purpose would subject the Society to taxation as unrelated business income. The Society's tax years prior to 2011 are no longer open for examination by federal and state taxing authorities.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events - In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through July 6, 2015, the date the financial statements were available to be issued.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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 Society 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.

Assets held by others are measured on a recurring basis using significant unobservable inputs.

The following table represents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2014:

	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	Total
Assets held by others	\$	\$	\$ 121,986	\$ 121,986
Total	<u>\$</u>	<u>\$</u>	<u>\$ 121,986</u>	<u>\$ 121,986</u>

The following table represents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2013:

	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	Total
Assets held by others	\$	\$	\$ 123,563	\$ 123,563
Total	<u>\$</u>	<u>\$</u>	<u>\$ 123,563</u>	<u>\$ 123,563</u>

Information regarding the changes in fair value of the Society's assets using significant unobservable inputs (Level 3) follows at December 31:

	Assets Held By Others	
	2014	2013
Balance, beginning of year	\$ 123,563	\$ 113,697
Change in value	<u>(1,577)</u>	<u>9,866</u>
Balance, end of the year	<u>\$ 121,986</u>	<u>\$ 123,563</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following tables represent the Society's level 3 asset, the valuation techniques used to measure the fair value of the asset, and the significant unobservable inputs and ranges of values for those inputs.

As of December 31, 2014				
Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Assets held by others	\$ 121,986	Quoted Market Prices or Third Party Pricing	Market price of assets held	Unknown

As of December 31, 2013				
Assets	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Assets held by others	\$ 123,563	Quoted Market Prices or Third Party Pricing	Market price of assets held	Unknown

NOTE 3 ASSETS HELD BY OTHERS

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 \$121,986 and \$123,563 as of December 31, 2014 and 2013, respectively.

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, 2014 AND 2013
(Continued)

NOTE 4 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 3). DSACF and Depot have authority to hold, manage and invest the funds held on behalf of the Society.

DSACF distributes net income at least annually. The distributions are available for the purposes of the Society. The Society 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, 2014 and 2013 is as follows:

Balance, December 31, 2012	\$	113,697
Investment fees		(308)
Net appreciation - realized and unrealized		10,174
Balance, December 31, 2013		<u>123,563</u>
Investment fees		(336)
Net depreciation - realized and unrealized		<u>(1,241)</u>
Balance, December 31, 2014	<u>\$</u>	<u>121,986</u>

NOTE 5 NET ASSETS

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

	<u>2014</u>	<u>2013</u>
Endowment	\$ 121,986	\$ 123,563
Other	<u>807</u>	<u>807</u>
Total Board designated net assets	<u>\$ 122,793</u>	<u>\$ 124,370</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 5 NET ASSETS (Continued)

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

	<u>2014</u>	<u>2013</u>
American Indian Project	\$ 58,783	\$ 92,096
Fessler Gallery Project	990	1,776
Great Hall Exhibit	29	29
Scholarships-VMH	28,322	29,322
Mezzanine Project	7,413	32,004
Erie Mining Book Project	504	
Veterans Memorial Hall - Archives	<u>3,560</u>	<u>11,023</u>
Total temporarily restricted net assets	<u>\$ 99,601</u>	<u>\$ 166,250</u>

NOTE 6 AMOUNTS PAID TO AFFILIATED ORGANIZATIONS

For the years ended December 31, 2014 and 2013, the Society distributed the following amounts to other regional St. Louis County historical societies and museums:

	<u>2014</u>	<u>2013</u>
Ely-Winton Historical Society	\$ 13,664	\$ 13,666
Hibbing Historical Society	12,095	12,096
Tower-Soudan Historical Society	6,564	6,608
Virginia Historical Society	12,197	12,196
Museum of Mining	8,872	8,872
Sisu Heritage, Inc.	<u>4,648</u>	<u>4,680</u>
Total	<u>\$ 58,040</u>	<u>\$ 58,118</u>

NOTE 7 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, 2014 AND 2013
(Continued)

NOTE 7 DONATED RENTS AND SERVICES (Continued)

	Donated Value	
	2014	2013
U.M.D. (space)	<u>\$ 40,045</u>	<u>\$ 40,045</u>
Donated professional fees - U.M.D.	<u>\$</u>	<u>\$ 777</u>
Donated advertising	<u>\$</u>	<u>\$ 4,930</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 \$10,200 and \$15,900 for the years ended December 31, 2014 and 2013, respectively.

NOTE 8 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 \$3,984 and \$4,454 for the years ended December 31, 2014 and 2013, respectively.

NOTE 9 LEASE AGREEMENT

The Society has an annual renewable lease 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 \$11,052 and \$8,208 for the years ended December 31, 2014 and 2013, respectively.

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 10 CAPITAL LEASE OBLIGATION

The Society leases a copier with lease payments of \$209 per month beginning July 2014 through June 2019. A capital lease obligation has been recorded at the present value of future minimum payments, discounted at an interest rate of 7 percent. The capitalized cost of \$10,578 less accumulated depreciation of \$1,234 at December 31, 2014 is included in furniture, fixtures and equipment in the accompanying financial statements. Depreciation expense for the equipment was \$1,234 for the year ended December 31, 2014.

The Society incurred interest expense on the lease of \$357 during the year ended December 31, 2014.

The future minimum lease payments under the capital lease and the net present value of future minimum lease payments are as follows for the years ended December 31:

Year Ending December 31,

2015	\$	2,513
2016		2,513
2017		2,513
2018		2,513
2019		1,258
Future minimum lease payments		11,310
Less amount representing interest		(1,632)
Present value of future minimum payments	\$	9,678

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 11 OFFICERS AND BOARD OF GOVERNORS

The Officers and Board of Governors for 2014 were:

Officers

President	Jill Dupont
Vice President	Jim Schwarzbauer
Treasurer	Clyde Rogers
Secretary	Gail Shedly

Board of Governors

Leonard Hirsch	Representing Hibbing Historical Society
Gail Shedly	Representing Ely-Winton Historical Society
Caryl Tamte	Representing Virginia Area Historical Society
Vacant	Representing Minnesota Museum of Mining
Douglas Workman	Representing Tower-Soudan Historical Society
Leone Graf	Representing Sisu Heritage Inc.
Michael Forsman	County Representative
Wes Berntson	
David Bouschor	
Thomas Buck	
Robert Evans	
John Marshall	
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, 2014

	Program Services <u>Historical Preservation</u>	Supporting Services <u>Management and General</u>	<u>Total</u>
Salaries	\$ 108,552	\$ 68,814	\$ 177,366
Payroll taxes and related payroll expenses	9,311	5,903	15,214
Employee health insurance	11,500	7,290	18,790
Pension	2,140	1,844	3,984
Total salaries and related expenses	<u>131,503</u>	<u>83,851</u>	<u>215,354</u>
Advertising	319		319
Common area maintenance	9,947	1,105	11,052
Dues and subscriptions	943	236	1,179
Insurance	15,042		15,042
Interest	286	71	357
Miscellaneous	3,026	3,026	6,052
Office supplies	3,608	3,607	7,215
Postage	1,175	392	1,567
Printing and reproduction	1,974	494	2,468
Professional services		19,670	19,670
Project costs	35,499		35,499
Rent - donated	38,043	2,002	40,045
Repairs and maintenance	3,160	351	3,511
Telephone	4,151	1,384	5,535
Travel and staff expense	1,614	2,422	4,036
Museum - exhibits and supplies, conservation, repair, and acquisition of collection	5,523		5,523
Total functional expenses before depreciation	<u>255,813</u>	<u>118,611</u>	<u>374,424</u>
Depreciation	<u>15,186</u>	<u>1,687</u>	<u>16,873</u>
Total functional expenses	<u>\$ 270,999</u>	<u>\$ 120,298</u>	<u>\$ 391,297</u>

ST. LOUIS COUNTY HISTORICAL SOCIETY
DULUTH, MINNESOTA

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

	Program Services <u>Historical Preservation</u>	Supporting Services <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	2,321	2,321	4,642
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	24,126		24,126
Rent - donated	38,043	2,002	40,045
Repairs and maintenance	3,739	415	4,154
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>242,835</u>	<u>117,634</u>	<u>360,469</u>
Depreciation	<u>15,583</u>	<u>1,731</u>	<u>17,314</u>
Total functional expenses	<u>\$ 258,418</u>	<u>\$ 119,365</u>	<u>\$ 377,783</u>