

MINNESOTA COUNCIL ON FOUNDATIONS
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

**MINNESOTA COUNCIL ON FOUNDATIONS
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YEARS ENDED DECEMBER 31, 2010 AND 2009**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Minnesota Council on Foundations
Minneapolis, Minnesota

We have audited the accompanying statements of financial position of Minnesota Council on Foundations as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Council'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 Minnesota Council on Foundations as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
March 15, 2011

**MINNESOTA COUNCIL ON FOUNDATIONS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

	2010	2009
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 1,052,327	\$ 330,905
Short-Term Investments	-	700,000
Accrued Interest Receivable	-	4,325
Accounts Receivable	9,898	26,056
Dues Receivable	41,932	26,675
Prepaid Expenses	14,843	6,785
Equipment and Software Costs, Net	77,778	49,698
Total Assets	\$ 1,196,778	\$ 1,144,444
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 30,967	\$ 39,628
Accrued Payroll and Related	44,866	31,038
Accrued Unrelated Business Income Tax	853	1,958
Capital Lease Obligation	16,514	20,838
Deferred Rent Liability	5,062	-
Deferred Revenue	12,500	16,500
Total Liabilities	110,762	109,962
NET ASSETS		
Unrestricted Net Assets:		
Undesignated	535,846	550,099
Board Designated Projects	67,372	65,018
Working Capital Fund	402,270	337,362
Total Unrestricted Net Assets	1,005,488	952,479
Temporarily Restricted Net Assets	80,528	82,003
Total Net Assets	1,086,016	1,034,482
Total Liabilities and Net Assets	\$ 1,196,778	\$ 1,144,444

See accompanying Notes to Financial Statements.

**MINNESOTA COUNCIL ON FOUNDATIONS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010				
	Unrestricted			Temporarily Restricted	Total
	Core	Special Projects	Total		
REVENUES AND SUPPORT					
Membership Revenue:					
Dues	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ 90,000
Contributions	917,591	-	917,591	50,040	967,631
Meeting Fees	84,828	-	84,828	-	84,828
Product Sales	111,110	-	111,110	-	111,110
Sponsorships	87,862	-	87,862	-	87,862
Advertising	42,711	-	42,711	-	42,711
Grants	1,000	-	1,000	22,500	23,500
Investment Income	6,998	-	6,998	-	6,998
Miscellaneous Income	5,627	-	5,627	-	5,627
Net Assets Released Upon					
Satisfaction of Restrictions	74,015	-	74,015	(74,015)	-
Total Revenues and Support	<u>1,421,742</u>	<u>-</u>	<u>1,421,742</u>	<u>(1,475)</u>	<u>1,420,267</u>
EXPENSES					
Program Services:					
Member Services	499,839	71,065	570,904	-	570,904
Public Awareness	212,007	13,536	225,543	-	225,543
Research and Information	187,231	-	187,231	-	187,231
Total Program Services	<u>899,077</u>	<u>84,601</u>	<u>983,678</u>	<u>-</u>	<u>983,678</u>
Management and General	368,860	-	368,860	-	368,860
Fundraising	16,195	-	16,195	-	16,195
Total Expenses	<u>1,284,132</u>	<u>84,601</u>	<u>1,368,733</u>	<u>-</u>	<u>1,368,733</u>
CHANGE IN NET ASSETS	137,610	(84,601)	53,009	(1,475)	51,534
Net Assets - Beginning of Year	887,461	65,018	952,479	82,003	1,034,482
Purchase of Equipment	-	-	-	-	-
Additional Board Designations	(86,955)	86,955	-	-	-
NET ASSETS - END OF YEAR	<u>\$ 938,116</u>	<u>\$ 67,372</u>	<u>\$ 1,005,488</u>	<u>\$ 80,528</u>	<u>\$ 1,086,016</u>

See accompanying Notes to Financial Statements.

2009

Unrestricted				
Core	Special Projects	Total	Temporarily Restricted	Total
\$ 90,000	\$ -	\$ 90,000	\$ -	\$ 90,000
882,003	-	882,003	51,322	933,325
78,431	-	78,431	-	78,431
116,636	-	116,636	-	116,636
37,500	-	37,500	-	37,500
40,435	-	40,435	-	40,435
3,000	-	3,000	28,000	31,000
13,069	-	13,069	-	13,069
10	-	10	-	10
<u>128,625</u>	-	<u>128,625</u>	<u>(128,625)</u>	-
1,389,709	-	1,389,709	(49,303)	1,340,406
478,119	15,107	493,226	-	493,226
234,861	2,961	237,822	-	237,822
<u>181,073</u>	-	<u>181,073</u>	-	<u>181,073</u>
894,053	18,068	912,121	-	912,121
275,644	-	275,644	-	275,644
<u>26,194</u>	-	<u>26,194</u>	-	<u>26,194</u>
<u>1,195,891</u>	<u>18,068</u>	<u>1,213,959</u>	-	<u>1,213,959</u>
193,818	(18,068)	175,750	(49,303)	126,447
706,527	70,202	776,729	131,306	908,035
3,245	(3,245)	-	-	-
<u>(16,129)</u>	<u>16,129</u>	-	-	-
<u>\$ 887,461</u>	<u>\$ 65,018</u>	<u>\$ 952,479</u>	<u>\$ 82,003</u>	<u>\$ 1,034,482</u>

**MINNESOTA COUNCIL ON FOUNDATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)**

	2010							2009 Total
	Program Services			Total	Management and General	Fundraising	Total	
	Member Services	Public Awareness	Research and Information					
Salaries	\$ 268,122	\$ 107,637	\$ 97,795	\$ 473,554	\$ 213,164	\$ 8,440	\$ 695,158	\$ 613,246
Employee Benefits	36,093	14,845	13,943	64,881	30,521	1,149	96,551	87,170
Payroll Taxes	18,152	7,302	6,652	32,106	14,505	572	47,183	46,054
Total Salaries and Benefits	<u>322,367</u>	<u>129,784</u>	<u>118,390</u>	<u>570,541</u>	<u>258,190</u>	<u>10,161</u>	<u>838,892</u>	<u>746,470</u>
Contracted Services	59,236	25,179	16,927	101,342	32,704	1,106	135,152	87,903
License Fees	1,909	774	640	3,323	7,948	40	11,311	4,988
Office and Program Supplies	3,917	2,648	1,692	8,257	2,338	77	10,672	18,633
Program and Meeting Expenses	71,806	8,239	3,630	83,675	8,188	1,307	93,170	50,686
Printing/Equipment	17,607	10,884	7,338	35,829	6,354	739	42,922	78,777
Communications	13,201	14,833	7,849	35,883	4,643	966	41,492	37,359
Professional Development and National Leadership	18,135	7,254	6,381	31,770	-	-	31,770	27,252
Forum Dues	6,377	3,188	3,188	12,753	-	-	12,753	12,805
Occupancy	39,705	16,330	15,338	71,373	33,574	1,264	106,211	96,809
Insurance	1,461	600	564	2,625	1,235	47	3,907	2,075
Travel	2,923	788	559	4,270	771	97	5,138	7,274
Miscellaneous	4,140	1,702	1,599	7,441	6,049	132	13,622	18,619
Depreciation and Amortization	8,120	3,340	3,136	14,596	6,866	259	21,721	24,309
Total Expenses	<u>\$ 570,904</u>	<u>\$ 225,543</u>	<u>\$ 187,231</u>	<u>\$ 983,678</u>	<u>\$ 368,860</u>	<u>\$ 16,195</u>	<u>\$ 1,368,733</u>	<u>\$ 1,213,959</u>
2010 Allocation Percentages	41.7%	16.5%	13.7%	71.9%	26.9%	1.2%	100.0%	
2009 Allocation Percentages	40.6%	19.6%	14.9%	75.1%	22.7%	2.2%	100.0%	

See accompanying Notes to Financial Statements.

**MINNESOTA COUNCIL ON FOUNDATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009**

	2009						
	Program Services						
	Member Services	Public Awareness	Research and Information	Total	Management and General	Fundraising	Total
Salaries	\$ 242,244	\$ 107,159	\$ 92,245	\$ 441,648	\$ 158,830	\$ 12,768	\$ 613,246
Employee Benefits	34,434	15,232	13,112	62,778	22,577	1,815	87,170
Payroll Taxes	18,192	8,047	6,928	33,167	11,928	959	46,054
Total Salaries and Benefits	<u>294,870</u>	<u>130,438</u>	<u>112,285</u>	<u>537,593</u>	<u>193,335</u>	<u>15,542</u>	<u>746,470</u>
Contracted Services	39,555	16,527	10,360	66,442	20,162	1,299	87,903
License Fees	926	601	606	2,133	2,815	40	4,988
Office and Program Supplies	7,154	3,699	3,477	14,330	3,908	395	18,633
Program and Meeting Expenses	30,216	9,209	4,224	43,649	6,061	976	50,686
Printing/Equipment	31,079	21,798	12,682	65,559	9,326	3,892	78,777
Communications	9,731	14,699	7,466	31,896	4,411	1,052	37,359
Professional Development and National Leadership	16,070	5,969	5,213	27,252	-	-	27,252
Forum Dues	6,403	3,201	3,201	12,805	-	-	12,805
Occupancy	38,241	16,917	14,562	69,720	25,073	2,016	96,809
Insurance	820	363	312	1,495	537	43	2,075
Travel	3,971	1,122	1,280	6,373	710	191	7,274
Miscellaneous	4,588	9,031	1,748	15,367	3,010	242	18,619
Depreciation and Amortization	9,602	4,248	3,657	17,507	6,296	506	24,309
Total Expenses	<u>\$ 493,226</u>	<u>\$ 237,822</u>	<u>\$ 181,073</u>	<u>\$ 912,121</u>	<u>\$ 275,644</u>	<u>\$ 26,194</u>	<u>\$ 1,213,959</u>
Allocation Percentages	40.6%	19.6%	14.9%	75.1%	22.7%	2.2%	100.0%

See accompanying Notes to Financial Statements.

**MINNESOTA COUNCIL ON FOUNDATIONS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 51,534	\$ 126,447
Adjustments to Reconcile the Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	21,721	24,309
Changes in Current Assets and Liabilities:		
Interest Receivable	4,325	1,042
Accounts Receivable	16,158	(19,393)
Dues Receivable	(15,257)	(11,725)
Prepaid Expenses	(8,058)	(2,179)
Accounts Payable	(8,661)	15,119
Accrued Payroll and Related	13,828	(809)
Accrued Unrelated Business Income Tax	(1,105)	1,958
Deferred Rent Liability	5,062	-
Deferred Revenue	(4,000)	(500)
Net Cash Provided by Operating Activities	75,547	134,269
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Short-Term Investments	-	(900,000)
Proceeds on Sales of Short-Term Investments	700,000	700,000
Purchase of Equipment	(49,801)	(1,355)
Net Cash Provided (Used) by Investing Activities	650,199	(201,355)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease Obligation	(4,324)	(2,425)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	721,422	(69,511)
Cash and Cash Equivalents - Beginning of Year	330,905	400,416
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,052,327	\$ 330,905
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Equipment Acquired through a Capital Lease	\$ -	\$ 23,263
Cash Paid for Unrelated Business Income Taxes	\$ 3,400	\$ -

See accompanying Notes to Financial Statements.

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Minnesota Council on Foundations (Council) is incorporated under the Minnesota Nonprofit Corporation Act. The Council is a 501(c)(3) nonprofit regional association of grantmakers working to improve the health and vitality of our communities. Its mission is to strengthen and expand philanthropy. The Council's membership as of December 31, 2010 and 2009 included 180 family and other private foundations, community and other public foundations, and corporate foundations and giving programs. In addition to its members, the Council serves the greater grantmaker and nonprofit community and the public, which has a stake in philanthropy in our communities.

The Council also works actively to promote new and expanded philanthropy and help grantmakers improve their effectiveness. The Council has produced nationally-recognized public trust and accountability resources including *Principles for Minnesota Grantmakers* and *What Every Grantmaker Should Know*. As part of its state and national leadership, the Council has also prepared a Diversity Toolkit and other resources to help members and others in the philanthropic community to address inclusivity issues in their work.

The Council's Services include:

Member Services

- Professional training to enhance grantmaker skills and knowledge
- Programs on topical grantmaking issues
- Special interest networks by issue and member type
- Community issue briefings
- Grantseeking seminars for nonprofits

Public Awareness

- *Giving Forum*, a free quarterly newspaper covering grantmaking news and issues
- *MCF Notes and MCF Giving Memo*, bi-weekly electronic newsletters for members and nonprofits
- An extensive up-to-date website (mcf.org), including a members-only section
- *Minnesota Toolkit for Giving* in print and online formats (minnesotagiving.org)

Research and Information on Minnesota Philanthropy

- *Giving in Minnesota and Outlook*, annual research reports on Minnesota grantmaking trends
- *Minnesota Grantmakers Online*, a web-based, searchable database of Minnesota grantmakers and grant activity

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Government Relations

- Supporting and educating members of Congress on philanthropy in Minnesota and issues important to foundations and other grantmakers
- Working on behalf of the field with members of Congress through the annual Foundations on the Hill in Washington DC and District Days in Minnesota.
- *Legislative Bulletins* for members to keep them informed of issues important to foundations and other grantmakers.

Financial Statement Presentation

Support is classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

Unrestricted Net Assets – represents the portion of net assets that are not subject to donor restrictions.

Temporarily Restricted Net Assets – consist of contributions that are restricted by donors for specific purposes or time periods.

Permanently Restricted Net Assets – consist of contributions that are permanently restricted by donors for specific purposes.

The Council had no permanently restricted net assets at December 31, 2010 or 2009.

Cash and Cash Equivalents

The Council considers all highly liquid instruments purchased with a maturity of less than three months to be cash equivalents. Cash and cash equivalents at December 31, 2010 include \$1,033,943 in a savings account and \$18,384 in checking. Cash and cash equivalents at December 31, 2009 include \$82 in money market mutual funds held at a brokerage firm, \$318,428 in a savings account and \$12,395 in checking.

Short-Term Investments

The investments consist of certificates of deposits that are carried at cost. All certificates matured in June 2010 and were converted to a high yield savings account.

Accounts and Dues Receivable

The Council provides an allowance for bad debts using the allowance method which is based on management judgment considering historical information. Services are provided on an unsecured basis. Accounts are individually analyzed for collectability and written off when deemed uncollectible. In addition, an allowance is provided for other accounts when a significant pattern of uncollectability has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At December 31, 2010 and 2009 an allowance of \$-0- was recorded.

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Software Costs

Equipment is carried at cost, with the exception of any donated equipment, which is recorded at fair market value at the date of gift. Acquisitions of equipment in excess of \$1,000 are capitalized. Website development costs are depreciated on the straight-line basis over the estimated life of the website, which was determined to be five years. Equipment is depreciated on the straight-line basis over the estimated life of the asset, generally three to five years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals or betterments are capitalized.

Membership Revenue

The Council recognizes membership revenue on the members' annual renewal date. Membership dues that are received prior to the renewal date (most often in the fourth quarter of the Council's fiscal year) are recorded as both deferred revenue and temporarily restricted contribution revenue in the following manner:

- Dues: A portion of each dues payment is considered the cost of tangible goods and products each member receives in return for its membership and is recorded as deferred revenue.
- Contributions: All dues payments that exceed the portion above are considered a contribution and are recorded as temporarily restricted contribution revenue which is released in the following year.

Contributions and Grants

Contributions are recorded when a donor makes an unconditional promise to give to the Council. Donor-restricted contributions are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are 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.

Concentrations

The Council places its cash and cash equivalents and short-term investments with financial institutions. The amount of cash on deposit may at times exceed the insured limit of the institution and expose the Council to a credit risk. Management annually reviews the soundness of its primary financial institution and has not experienced any losses as a result of these deposits.

The Council provides services to numerous customers and members throughout the year. Although no one single customer or member by itself represents a significant concentration of income that the Council relies on to maintain activities, one customer represented 84% of accounts receivable as of December 31, 2009, and another customer represents 58% and 90% of dues receivable as of December 31, 2010 and 2009, respectively.

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

Expenses have been allocated among program and supporting service classifications based upon direct expenditures and estimates made by the Council's management.

Fundraising Expenses

The Council's fundraising expenses reflect the cost of time invested in membership recruiting and development efforts.

Income Taxes

The Council is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes. The Council pays unrelated business income taxes on a portion of its advertising revenue related to publications. Income tax expense was \$3,578 and \$3,929 for the years ended December 31, 2010 and 2009, respectively.

The Council follows the provisions of accounting for uncertainty in income taxes. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized.

The Council's income tax returns are subject to review and examination by federal and state authorities. The tax returns for the years ended December 31, 2006 to 2010 are open to examination by federal and state authorities.

Reclassifications

Certain reclassifications have been made to the December 31, 2009 financial statements in order to present them in conformity with the December 31, 2010 financial statements. These reclassifications had no effect on net assets as previously reported.

Subsequent Events

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through March 15, 2011, the date the financial statements were available to be issued.

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 2 SHORT-TERM INVESTMENTS

Certificates of deposit as of December 31, 2009 with an original cost of \$700,000 are included in the accompanying statement of financial position. The certificates matured on dates ranging from January 2010 through June 2010.

NOTE 3 EQUIPMENT AND SOFTWARE COSTS

Equipment and software costs consisted of the following as of December 31:

	2010	2009
Equipment	172,944	\$ 167,652
Software Costs	19,312	19,312
Website	44,508	-
Less: Accumulated Depreciation and Amortization	(158,986)	(137,266)
Total	\$ 77,778	\$ 49,698

NOTE 4 LEASES

Office Lease

The Council entered into an operating lease for office space from January 2010 through December 2014, with escalating payments. Rental expense is recognized on a straight-line basis over the life of the lease. The liability related to difference between straight line rent expense and cash payments is recognized on the statement of financial position as deferred rent liability.

The lease payments include operating costs based on square feet. Office rent expense (inclusive of operating costs) was \$106,210 and \$96,807 for the years ended December 31, 2010 and 2009, respectively.

Future minimum lease payments are as follows: (exclusive of operating costs):

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 43,027
2012	45,558
2013	48,089
2014	50,620
Total	\$ 187,294

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 4 LEASES (CONTINUED)

Capital Lease

During 2009, the Council entered into a capital lease for a copier. The asset is included in equipment as follows at December 31:

	<u>2010</u>	<u>2009</u>
Equipment	\$ 23,263	\$ 23,263
Less: Accumulated Amortization	(7,367)	(2,714)
Total	<u>\$ 15,896</u>	<u>\$ 20,549</u>

The copier lease requires monthly payments of \$439 through expiration in May 2014. Future minimum lease payments under this lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 5,268
2012	5,268
2013	5,268
2014	2,195
Total Minimum Lease Payments	<u>17,999</u>
Less: Interest	(1,485)
Total	<u>\$ 16,514</u>

NOTE 5 BOARD DESIGNATED FUNDS

Net assets have been designated by the Board for the following special projects as of December 31:

	<u>2010</u>	<u>2009</u>
Designations Approved During the Year:		
Strategic Planning	\$ 10,000	\$ -
Knowledge Management Project	55,000	-
Equipment Reserve Fund	21,595	16,129
Balance at Year-End:		
Strategic Planning	19,755	10,130
Equipment Reserve Fund	38,137	16,542
Knowledge Management Project	1,310	30,176
Minnesota Grantmakers Online Upgrade	8,170	8,170
Total	<u>\$ 67,372</u>	<u>\$ 65,018</u>

At the beginning of each fiscal year, the Board establishes a working capital balance equal to a designated percentage of the core operating expenses. This amount is considered to be the Working Capital Fund.

**MINNESOTA COUNCIL ON FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets arise from contributions that are restricted by donors for specific purposes or time periods. The restrictions expire over time or when the stated purpose has been met. Temporarily restricted net assets are for program support and consisted of the following as of December 31:

	2010	2009
Education Funders Network	\$ 2,998	\$ 4,013
Institutional Racism Project	4,990	5,668
Diversity Fellowship	-	21,000
Diversity Initiates	22,500	-
Future Year Membership Revenues	50,040	51,322
Total	\$ 80,528	\$ 82,003

NOTE 7 RETIREMENT PLAN

The Council has a Board approved, defined contribution retirement plan covering all eligible employees. The Council makes contributions equal to 12% of each eligible employee's compensation after one year of service. Eligible employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code upon hire if they wish. Contributions to the plan were \$58,148 and \$49,172 during the years ended December 31, 2010 and 2009, respectively.