

PHILANTHROFUND FOUNDATION

FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2011

PHILANTHROFUND FOUNDATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
PFund (Philanthrofund Foundation)
Minneapolis, Minnesota

We have audited the accompanying statement of financial position of the Philanthrofund Foundation (a nonprofit organization) as of June 30, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides 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 Philanthrofund Foundation as of June 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying 2010 financial statements were reviewed by us, and our report dated August 30, 2010, stated we were not aware of any material modifications that should be made to those statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.

St. Paul, Minnesota
October 10, 2011

Olsen Thielen & Co., Ltd.

PHILANTHROFUND FOUNDATION

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010**

ASSETS	2011 <u>(Audited)</u>	2010 <u>(Reviewed)</u>
Cash and Cash Equivalents	\$ 374,005	\$ 106,417
Investments	929,680	850,817
Contributions Receivable	9,530	9,166
Prepaid Expenses	7,085	4,526
Equipment, Less Accumulated Depreciation of \$24,348 in 2011 and \$21,997 in 2010	<u>2,115</u>	<u>4,466</u>
 TOTAL ASSETS	 <u>\$ 1,322,415</u>	 <u>\$ 975,392</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 11,652	\$ 23,430
Grants Payable	8,000	28,688
Funds Held for Quatrefoil Library	<u>100,096</u>	<u>86,336</u>
Total Liabilities	<u>119,748</u>	<u>138,454</u>
 NET ASSETS:		
Unrestricted Net Assets:		
Undesignated	71,376	35,589
Endowment Investment Losses	(78,622)	(151,014)
Board Designated - Program	<u>—</u>	<u>32,594</u>
Total Unrestricted Net Assets	<u>(7,246)</u>	<u>(82,831)</u>
Temporarily Restricted	334,551	55,110
Permanently Restricted	<u>875,362</u>	<u>864,659</u>
Total Net Assets	<u>1,202,667</u>	<u>836,938</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,322,415</u>	 <u>\$ 975,392</u>

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

PHILANTHROFUND FOUNDATION

**STATEMENT OF ACTIVITIES
JUNE 30, 2011 AND 2010**

	2011 (Audited)			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
PUBLIC SUPPORT AND REVENUES:				
Contributions	\$ 203,278	\$ 55,357	\$ 10,703	\$ 269,338
Corporate/Foundation Contributions	29,754	465,213	-	494,967
Special Events, Net of Expenses of \$51,626 in 2011 and \$50,636 in 2010	24,541	-	-	24,541
Management Fees	5,015	-	-	5,015
Investment Gain	25,414	121,057	-	146,471
Endowment Reclassification	72,392	(72,392)	-	-
Net Assets Released from Usage Restrictions	289,794	(289,794)	-	-
Total Public Support and Revenues	<u>650,188</u>	<u>279,441</u>	<u>10,703</u>	<u>940,332</u>
EXPENSES:				
Program Services	476,580	-	-	476,580
Management and General	34,724	-	-	34,724
Fundraising	63,299	-	-	63,299
Total Expenses	<u>574,603</u>	<u>-</u>	<u>-</u>	<u>574,603</u>
INCREASE (DECREASE) IN NET ASSETS	75,585	279,441	10,703	365,729
NET ASSETS at Beginning of Year	<u>(82,831)</u>	<u>55,110</u>	<u>864,659</u>	<u>836,938</u>
NET ASSETS at End of Year	<u>\$ (7,246)</u>	<u>\$ 334,551</u>	<u>\$ 875,362</u>	<u>\$ 1,202,667</u>

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

2010 (Reviewed)			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 227,445	\$ 52,931	\$ 13,770	\$ 294,146
16,500	26,947	-	43,447
53,155	3,810	-	56,965
3,490	-	-	3,490
12,682	72,703	-	85,385
27,773	(27,773)	-	-
<u>221,741</u>	<u>(221,741)</u>	<u>-</u>	<u>-</u>
<u>562,786</u>	<u>(93,123)</u>	<u>13,770</u>	<u>483,433</u>
378,183	-	-	378,183
49,867	-	-	49,867
77,365	-	-	77,365
<u>505,415</u>	<u>-</u>	<u>-</u>	<u>505,415</u>
57,371	(93,123)	13,770	(21,982)
<u>(140,202)</u>	<u>148,233</u>	<u>850,889</u>	<u>858,920</u>
<u>\$ (82,831)</u>	<u>\$ 55,110</u>	<u>\$ 864,659</u>	<u>\$ 836,938</u>

PHILANTHROFUND FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2011 AND 2010**

	2011 (Audited)			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Costs:				
Salaries and Wages	\$ 115,876	\$ 23,679	\$ 33,916	\$ 173,471
Payroll Taxes	9,557	1,992	2,832	14,381
Employee Benefits	14,759	1,657	4,291	20,707
	<u>140,192</u>	<u>27,328</u>	<u>41,039</u>	<u>208,559</u>
Grants and Scholarships	167,384	-	-	167,384
Professional Fees	15,682	2,257	3,528	21,467
Office Expense	1,880	343	5,078	7,301
Office Rent	11,646	2,270	3,409	17,325
Postage	3,989	132	4,007	8,128
Telephone	1,061	206	310	1,577
Software and Web	3,720	459	688	4,867
Insurance	1,334	260	390	1,984
Printing	9,565	54	1,476	11,095
Conference and Meetings	3,959	365	898	5,222
Programs	98,541	-	-	98,541
Travel	2,240	98	265	2,603
Design and Writing	4,194	-	-	4,194
Miscellaneous	2,900	436	1,436	4,772
Promotion	3,366	-	-	3,366
Volunteer Expenses	1,442	208	312	1,962
Dues and Subscriptions	1,905	-	-	1,905
Depreciation	1,580	308	463	2,351
	<u>1,580</u>	<u>308</u>	<u>463</u>	<u>2,351</u>
Total	<u>\$ 476,580</u>	<u>\$ 34,724</u>	<u>\$ 63,299</u>	<u>\$ 574,603</u>

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

2010 (Reviewed)			
<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
\$ 117,677	\$ 35,920	\$ 45,334	\$ 198,931
9,650	2,945	3,740	16,335
<u>16,385</u>	<u>2,972</u>	<u>6,272</u>	<u>25,629</u>
143,712	41,837	55,346	240,895
158,329	—	—	158,329
5,270	1,450	2,053	8,773
2,457	574	4,529	7,560
10,125	3,089	3,947	17,161
5,654	199	3,605	9,458
1,216	362	463	2,041
3,284	576	736	4,596
1,281	390	499	2,170
12,477	138	2,235	14,850
1,351	93	509	1,953
15,340	—	—	15,340
376	108	713	1,197
3,160	—	66	3,226
384	54	1,374	1,812
8,286	—	—	8,286
1,122	189	258	1,569
1,710	—	—	1,710
<u>2,649</u>	<u>808</u>	<u>1,032</u>	<u>4,489</u>
<u>\$ 378,183</u>	<u>\$ 49,867</u>	<u>\$ 77,365</u>	<u>\$ 505,415</u>

PHILANTHROFUND FOUNDATION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
	<u>(Audited)</u>	<u>(Reviewed)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ 365,729	\$ (21,982)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	2,351	4,489
Gain on Investments	(126,052)	(53,180)
Change in Assets and Liabilities:		
Contributions Receivable	(364)	21,950
Prepaid Expenses	(2,559)	1,231
Accounts Payable and Other Liabilities	(18,706)	11,373
Net Cash Provided By (Used In) Operating Activities	<u>220,399</u>	<u>(36,119)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(609,636)	(494,164)
Proceeds from Sale of Investments	656,825	499,045
Purchase of Equipment	—	(5,077)
Net Cash Provided By (Used In) Investing Activities	<u>47,189</u>	<u>(196)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	267,588	(36,315)
CASH AND CASH EQUIVALENTS at Beginning of Year	<u>106,417</u>	<u>142,732</u>
CASH AND CASH EQUIVALENTS at End of Year	<u>\$ 374,005</u>	<u>\$ 106,417</u>

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

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Philanthrofund Foundation (PFund) is a catalyst in building communities in Minnesota and the Upper Midwest where lesbian, gay, bisexual, and transgender people are celebrated and live free from discrimination, violence, invisibility, and isolation. PFund is a vital resource and community builder for lesbian, gay, bisexual, transgender, and allied communities by providing grants and scholarships, developing leaders, and inspiring giving.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted - Reflects resources over which the Board of Directors has discretionary control. Designated amounts represent resources which the Board has set aside for specific purposes.

Temporarily Restricted - Reflects resources received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When a restriction is accomplished within the same year of the donation, the funds are shown as unrestricted.

Permanently Restricted - Those resources subject to a donor imposed restriction that they be maintained permanently by the Organization. The donors of these resources permitted the Organization to use all or part of the income earned, including the market value of the related investments for unrestricted or temporarily restricted purposes.

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Contributions

The Organization records contributions when it has been determined that there is a legal right to the contribution and the amount is subject to reasonable estimation. Unconditional promises are recorded as revenue at the time the promise is made. Conditional promises are recorded when the condition has been satisfied.

Cash Equivalents

Cash equivalents consist of investment in money market funds. Cash equivalents are stated at cost, which approximates market value.

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through October 10, 2011, the date the financial statements were available to be issued.

Receivables

Receivables are reported at the amount the Organization expects to collect on balances outstanding at year-end. The Organization monitors outstanding balances and periodically writes off balances that are determined to be uncollectible. The Organization has concluded that losses on balances outstanding at year-end will be immaterial.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities.

Equipment and Depreciation

Equipment is recorded at original cost. Additions, improvements or major renewals are capitalized. If items of equipment are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gains or losses thereon are reflected in the statement of activities.

Depreciation of equipment is computed using the straight-line method over 3-5 years.

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing various programs and services are summarized on a functional basis on the statement of activities. Accordingly, certain costs were allocated among the programs or services benefited based on best estimates by management.

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, as amended. The Organization is also exempt from Minnesota income taxes.

The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities based on the technical merits of the positions. The Organization has identified no significant income tax uncertainties. The Organization's federal income tax returns are open to examination for tax years 2008 through 2010.

In-Kind Donated Contributions

The Organization recognized revenue for donated professional services of \$225 and \$2,297 during the years ended June 30, 2011 and 2010, respectively.

The Organization received donated materials of \$10,687 and \$18,586 in 2011 and 2010 which is included in special events revenue and expense on the statement of activities.

Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to significant credit risks on temporary cash investments.

Fair Value Measurements

Under generally accepted accounting principles, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards establish a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability, as follows:

Level 1 - Observable inputs such as quoted prices in active markets;

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and,

Level 3 - Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Organization uses observable market data, when available, in making fair value measurements. Fair value measurements are classified according to the lowest Level input that is significant to the valuation.

The Organization holds certain assets that are required to be measured at fair value on a recurring basis. The fair value of the Organization's investment securities were determined based on Levels determined in Note 2.

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uniform Prudent Management of Institutional Funds Act

During 2008, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective in Minnesota; this provides guidance on the classification of endowment net assets and enhances disclosure for endowment funds. Under UPMIFA all unappropriated endowment funds are considered restricted.

NOTE 2 - INVESTMENTS

The following table, as of June 30, 2011 and 2010, provides information by level for assets that are measured at fair value, on a recurring basis.

Description	Total	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
2011:				
Equity Securities	\$ 587,117	\$ 587,117	\$ —	\$ —
Government Securities	181,090	—	181,090	—
Mutual Funds	161,473	161,473	—	—
Total Investments	\$ 929,680	\$ 748,590	\$ 181,090	\$ —

Description	Total	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
2010:				
Equity Securities	\$ 478,212	\$ 478,212	\$ —	\$ —
Government Securities	219,245	—	219,245	—
Mutual Funds	153,360	153,360	—	—
Total Investments	\$ 850,817	\$ 631,572	\$ 219,245	\$ —

Investment income consists of the following:

	2011 (Audited)	2010 (Reviewed)
Interest and Dividends	\$ 35,003	\$ 46,263
Gain on Investments	126,052	53,180
Investment Fees	(14,584)	(14,058)
Total Investment Income	\$ 146,471	\$ 85,385

The fair value of government securities was obtained from independent quotation securities whose appraisals are based on factors other than quoted market prices.

The Foundation holds investments in a variety of investment funds. In general, its investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could be material to the amounts reported in the statement of financial position.

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - ENDOWMENTS

The purpose of the endowment funds are to provide resources and grants and scholarships for lesbian, gay, bisexual, transgender, and allied communities. The Organization's endowments consists of donor-restricted endowment funds. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Philanthrofund Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the prudent expenditure of donor-restricted endowment funds. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Organization. In making a determination to appropriate, an organization shall act in good faith with the care that a prudent person would exercise. The donors of the Organization's endowment funds have permitted an appropriation policy of spending approximately five percent of the endowment fund's market value annually. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted or unrestricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purpose of the Organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Organization.
- (7) The investment policies of the Organization.

The Organization has adopted investment and spending policies for investment assets to support the mission by providing earnings and capital appreciation to support agency programs, capital expenditures, and board-directed initiatives through a strategic plan that strives to maintain and grow the investment corpus and provide annual earnings to support the Organization's mission. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that preserve the inflation-adjusted value of the fund and maximize total return. The Organization targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level of the original value of gifts donated plus subsequent gifts or other requirements that the Organization retain a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported as unrestricted net assets were \$78,622 and \$151,014 at June 30, 2011 and 2010. The deficiency resulted from unfavorable investment market fluctuations that occurred in fiscal year 2009.

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - ENDOWMENTS (Continued)

The Finance Committee of Philanthrofund Foundation annually reviews and recommends to the Board of Directors the amount to be distributed from endowment assets for the next fiscal year.

Changes in endowment net assets for the years ended June 30, 2011 and 2010 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, June 30, 2009	\$(178,787)	\$ –	\$ 850,889	\$ 672,102
Reclassification	27,773	(27,773)	–	–
Investment Gain	–	32,888	–	32,888
Dividend and Interest Income	–	38,892	–	38,892
Contributions	–	5,043	13,770	18,813
Appropriation of Endowment Assets for Expenditure	<u>–</u>	<u>(48,888)</u>	<u>–</u>	<u>(48,888)</u>
Endowment Net Assets, June 30, 2010	(151,014)	162	864,659	713,807
Reclassification	72,392	(72,392)	–	–
Investment Gain	–	90,546	–	90,546
Dividend and Interest Income	–	28,037	–	28,037
Contributions	–	3,979	10,703	14,682
Appropriation of Endowment Assets for Expenditure	<u>–</u>	<u>(48,058)</u>	<u>–</u>	<u>(48,058)</u>
Endowment Net Assets, June 30, 2011	<u>\$ (78,622)</u>	<u>\$ 2,274</u>	<u>\$ 875,362</u>	<u>\$ 799,014</u>

NOTE 4 - FUNDS HELD FOR OTHERS

The Organization entered into an investment management agreement with Quatrefoil Library in 2003. Under the agreement, the Organization is to manage the Quatrefoil Library's funds with full discretion and agrees to supervise and direct investments in accordance with the guidelines in the agreement. At June 30, 2011 and 2010, the Organization holds \$100,096 and \$86,336 in its investment accounts for the Quatrefoil Library.

During 2010, the Organization acted as a fiscal agent for Funders for LGBTQ Issues for a grant in the amount of \$100,000. These funds were received and disbursed per the donor stipulations to the Headwaters Foundation for Justice.

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2011</u> <u>(Audit)</u>	2010 <u>(Reviewed)</u>
REI Conference	\$ 253,112	\$ -
Racial Equity Initiative	29,547	32,524
Our Community Legacy Fund	13,279	10,184
REI Capacity	12,875	-
REI Convening	11,520	-
Thomson Reuters	2,500	-
Kienitz Memorial Art Fund	2,500	2,900
Grinley LGBT Fund	2,218	-
ADC Foundation	2,116	3,808
Quinn Liberal Arts	1,923	-
Howard Liebhaber Human Rights Award	1,102	3,202
Other	1,859	2,492
Total	<u>\$ 334,551</u>	<u>\$ 55,110</u>

Temporarily restricted net assets released from restriction were \$289,794 and \$221,741 in 2011 and 2010. Temporarily restricted net assets were released from restriction due to satisfaction of program restrictions.

Permanently restricted net assets consist of the following:

	<u>2011</u> <u>(Audit)</u>	2010 <u>(Reviewed)</u>
Endowment Fund	\$ 244,976	\$ 244,976
Paul Marystone Fund	110,529	110,529
Linde-Ostrander Leadership Award	102,462	102,162
Bisexual Fund	87,497	87,497
Minnesota Human Rights Fund	64,875	64,575
Steve Endean Fund	55,089	55,089
Gilligan-Pospisil Award	46,505	46,505
Jeffrey Mayne Memorial Fund	43,575	42,030
Communities of Color Fund	33,357	33,357
Meuwissen-Werb Leadership Award	26,098	25,000
Wellness Endowment Fund	22,585	22,560
Manahan-Bohan Scholarship Fund	20,979	20,379
Quinn Liberal Arts Fund	15,000	10,000
Grinley LGBT Fund	1,835	-
Total	<u>\$ 875,362</u>	<u>\$ 864,659</u>

PHILANTHROFUND FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LEASE AGREEMENT

The Organization leases office space under an operating lease expiring July 31, 2014. The lease provides for monthly base rental payments of \$1,676, increasing annually. Rent expense was \$17,325 in 2011 and \$17,161 in 2010.

Future minimum lease payments due under this operating lease are as follows:

2012	\$ 19,587
2013	20,663
2014	21,263
2015	1,776