

CHILDREN'S MUSEUM OF LA CROSSE, INC.

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2014

CHILDREN'S MUSEUM OF LA CROSSE, INC.

CONTENTS

DECEMBER 31, 2014

Page

2	Independent Auditor's Report
3	Statement of Financial Position
4	Statement of Activities and Changes in Net Assets
5	Statement of Functional Expenses
6	Statement of Cash Flows
7-13	Notes to the Financial Statements



Franke & Turnbull, CPA's

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Children's Museum of La Crosse, Inc.

We have audited the accompanying financial statements of Children's Museum of La Crosse, Inc. (the "Museum"), which comprise the statement of financial position as of December 31, 2014 and 2013, the related statements of activities and change in net assets, functional expenses, 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 of America; 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 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 involves performing procedures to obtain 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 Museum, as of December 31, 2014 and 2013 and the changes in its net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Franke & Turnbull, CPA's

La Crosse, Wisconsin
November 13, 2015

CHILDREN'S MUSEUM OF LA CROSSE, INC.
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	DECEMBER 31,	
	2014	2013
Cash and cash equivalents	\$ 54,363	\$ 93,409
Investments	711,441	707,095
Accounts receivable	1,338	2,244
Inventories	9,278	12,269
Prepaid expenses and deposits	47,896	55,440
Property and equipment – net	1,580,287	1,641,367
Assets whose use is limited:		
Certificate of deposit - UC Reserve	4,914	4,900
Investments - quasi-endowment	95,863	97,175
Promises to give	2,000	2,427
Perpetual trust	792,525	782,984
TOTAL ASSETS	<u>\$ 3,299,905</u>	<u>\$ 3,399,310</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 10,233	\$ 24,353
Payroll taxes	940	6,965
Sales tax payable	353	433
Accrued compensation	17,453	15,408
Deferred revenue	5,083	4,138
TOTAL LIABILITIES	<u>34,062</u>	<u>51,297</u>
NET ASSETS		
Unrestricted		
Undesignated	2,375,455	2,465,427
Designated	95,863	97,175
Temporarily restricted	2,000	2,427
Permanently restricted	792,525	782,984
TOTAL NET ASSETS	<u>3,265,843</u>	<u>3,348,013</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,299,905</u>	<u>\$ 3,399,310</u>

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

CHILDREN'S MUSEUM OF LA CROSSE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	YEAR ENDED DECEMBER 31, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT				
Public support				
Contributions and grants	\$ 74,337	\$ 2,000	\$ -	\$ 76,337
Fundraising and special events	44,105	-	-	44,105
Operating revenue				
Admissions	140,710	-	-	140,710
Memberships	104,452	-	-	104,452
Programs, parties and field trips	77,236	-	-	77,236
Gift Shop	32,394	-	-	32,394
Investment income	54,550	-	-	54,550
Change in value of perpetual trust	-	-	9,541	9,541
Other income	40	-	-	40
Release of restrictions	2,427	(2,427)	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>530,251</u>	<u>(427)</u>	<u>9,541</u>	<u>539,365</u>
EXPENSES				
Program				
Gift shop cost of sales	22,076	-	-	22,076
Operations	490,431	-	-	490,431
Management and general	6,395	-	-	6,395
Public support	102,633	-	-	102,633
TOTAL EXPENSES	<u>621,535</u>	<u>-</u>	<u>-</u>	<u>621,535</u>
Change in net assets	(91,284)	(427)	9,541	(82,170)
NET ASSETS AT BEGINNING OF YEAR	<u>2,562,602</u>	<u>2,427</u>	<u>782,984</u>	<u>3,348,013</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,471,318</u>	<u>\$ 2,000</u>	<u>\$ 792,525</u>	<u>\$ 3,265,843</u>

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

YEAR ENDED DECEMBER 31, 2013

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 106,672	\$ -	\$ -	\$ 106,672
37,036	-	-	37,036
142,119	-	-	142,119
111,061	-	-	111,061
68,577	-	-	68,577
36,870	-	-	36,870
164,673	-	-	164,673
-	-	118,448	118,448
40	-	-	40
<u>29,126</u>	<u>(29,126)</u>	<u>-</u>	<u>-</u>
<u>696,174</u>	<u>(29,126)</u>	<u>118,448</u>	<u>785,496</u>
17,873	-	-	17,873
454,981	-	-	454,981
5,191	-	-	5,191
<u>95,037</u>	<u>-</u>	<u>-</u>	<u>95,037</u>
<u>573,082</u>	<u>-</u>	<u>-</u>	<u>573,082</u>
123,092	(29,126)	118,448	212,414
<u>2,439,510</u>	<u>31,553</u>	<u>664,536</u>	<u>3,135,599</u>
<u>\$ 2,562,602</u>	<u>\$ 2,427</u>	<u>\$ 782,984</u>	<u>\$ 3,348,013</u>

CHILDREN'S MUSEUM OF LA CROSSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

	YEAR ENDED DECEMBER 31, 2014			
	Program Services	Management and General	Public Support	Total
Employee Compensation				
Salaries and wages	\$ 98,758	\$ 100,744	\$ 59,195	\$ 258,697
Employee benefits	7,740	20,908	9,126	37,774
Total Employee Compensation	106,498	121,652	68,321	296,471
Other Expenses				
Gift shop cost of sales	22,076	-	-	22,076
Program expenses	12,609	-	5,560	18,169
Repairs and maintenance	23,801	305	102	24,208
Exhibit rental and expense	43,844	-	-	43,844
Advertising and promotion	-	11,548	-	11,548
Utilities	29,433	377	126	29,936
Seminars and training	-	3,272	-	3,272
Office expense	-	9,952	-	9,952
Dues and subscriptions	-	3,227	-	3,227
Insurance	9,767	125	42	9,934
Telephone	4,163	53	19	4,235
Permits and licenses	-	382	-	382
Postage and shipping	-	2,424	-	2,424
Printing and copies	-	4,769	-	4,769
Bad debts	-	-	500	500
Depreciation	98,302	1,260	419	99,981
Professional fees	-	24,657	-	24,657
Bank and credit card fees	-	8,375	-	8,375
Other	861	2,680	34	3,575
Total Other Expenses	244,856	73,406	6,802	325,064
Allocation of Indirect Costs	161,153	(188,663)	27,510	-
TOTAL FUNCTIONAL EXPENSES	\$ 512,507	\$ 6,395	\$ 102,633	\$ 621,535

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

YEAR ENDED DECEMBER 31, 2013

<u>Program Services</u>	<u>Management and General</u>	<u>Public Support</u>	<u>Total</u>
\$ 96,907	\$ 99,431	\$ 56,609	\$ 252,947
7,225	20,088	8,858	36,171
<u>104,132</u>	<u>119,519</u>	<u>65,467</u>	<u>289,118</u>
17,873	-	-	17,873
10,657	-	6,521	17,178
14,823	190	63	15,076
37,269	-	-	37,269
-	9,566	-	9,566
29,013	372	124	29,509
-	1,209	-	1,209
-	2,994	-	2,994
-	2,996	-	2,996
9,405	121	40	9,566
4,569	59	19	4,647
-	467	-	467
-	2,299	-	2,299
-	4,964	-	4,964
-	-	-	-
94,607	1,212	405	96,224
-	19,961	-	19,961
-	8,762	-	8,762
-	2,723	681	3,404
<u>218,216</u>	<u>57,895</u>	<u>7,853</u>	<u>283,964</u>
<u>150,506</u>	<u>(172,223)</u>	<u>21,717</u>	<u>-</u>
<u>\$ 472,854</u>	<u>\$ 5,191</u>	<u>\$ 95,037</u>	<u>\$ 573,082</u>

CHILDREN'S MUSEUM OF LA CROSSE, INC.
STATEMENT OF CASH FLOWS

	<u>YEAR ENDED DECEMBER 31</u>	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (82,170)	\$ 212,414
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	99,981	96,224
Contribution of exhibit	-	(31,935)
Net unrealized losses (gains) on investments	48,449	(81,617)
Net loss on disposal of assets	849	-
Change in value of perpetual trust	(9,541)	(118,448)
Changes in operating assets and liabilities		
Accounts receivable	906	1,583
Promises to give	427	29,126
Inventories	2,991	1,002
Prepaid expenses	7,544	(46,395)
Accounts payable	(14,120)	16,725
Other accrued liabilities	(4,060)	4,016
Deferred revenue	945	108
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>52,201</u>	<u>82,803</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(39,750)	(41,960)
Net change in investments including investment income re-invested	<u>(51,497)</u>	<u>(7,139)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(91,247)</u>	<u>(49,099)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(39,046)	33,704
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>93,409</u>	<u>59,705</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 54,363</u>	<u>\$ 93,409</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-cash investing and financing transactions:		
Contributed exhibit	\$ -	\$ 31,935

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

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 – Nature of Organization and Summary of Significant Accounting Policies

The Children's Museum of La Crosse, Inc. (the "Museum") was incorporated in July 1996 for the purpose of creating a hands-on, interactive environment for children; a family place where children can explore, create, experiment, learn and exercise their imaginations. The Museum opened in February 1999.

A summary of significant accounting policies follows:

Basis of Accounting – The Museum utilizes the accrual method of accounting, whereby revenue is recognized when earned, and expenses are recognized when incurred. The Museum's financial statements are prepared in accordance with the provisions of the Financial Accounting Standards Board FASB ASC 958-205 (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*). Under FASB ASC 958-205, the Museum is required to report 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:

Net Assets – All assets have been recorded and reported as either: unrestricted, temporarily restricted, or permanently restricted net assets.

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Museum and include those expendable resources which have been designated for special use by the Museum's Board of Directors.

Temporarily restricted net assets represent those amounts, which are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a 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.

Permanently restricted net assets result from contributions from donors who place restrictions on the use of the funds, which mandate that the original principal be invested in perpetuity. This original principal is reported as a permanently restricted net asset, the income from which may be either temporarily restricted or unrestricted, depending on the donor's specifications.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Museum, 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.

Cash and Cash Equivalents – For the purpose of the statement of cash flows, the Museum considers all deposits in financial institutions, with a maturity of three months or less, to be cash equivalents.

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. Unrealized gains and losses are included in the change in net assets.

Inventories – Materials held for sale are stated at the lower of cost (first-in, first-out) or market and consist of gift shop items for resale.

Contributed Services – During the years ended December 31, 2014 and 2013, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS - continued
DECEMBER 31, 2014 AND 2013

NOTE 1 – Nature of Organization and Summary of Significant Accounting Policies - continued

Income Tax Status – The Museum is recognized by the Internal Revenue Service to be an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC 740-10 (previously Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes) prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Museum believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Museum's federal Exempt Organization Returns for 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Property and Equipment – Property and equipment in excess of \$1,000 are capitalized at cost or at their estimated fair value at date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. It is the Museum's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as support increasing temporarily restricted net assets. The Museum reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of the donated property and equipment's depreciation expense. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Fair Value Measurements – The Museum has determined the fair value of certain assets in accordance with the provisions of FASB ASC 820-10 (formerly FASB Statement No. 157, *Fair Value Measurements*), which provides a framework for measuring fair value.

FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset. Level 3 inputs are unobservable inputs related to the asset.

Advertising – The Museum expenses advertising costs as incurred.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events – The Museum has evaluated subsequent events through November 13, 2015, the date which the financial statements were available to be issued.

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS - continued
DECEMBER 31, 2014 AND 2013

NOTE 2 – Investments

Investments consist of the following at December 31:

	<u>2014</u>		<u>2013</u>	
	FAIR VALUE	COST	FAIR VALUE	COST
Trust Point	<u>\$ 807,304</u>	<u>\$ 689,021</u>	<u>\$ 804,270</u>	<u>\$ 637,537</u>

At December 31, aggregate carrying amounts by major types are as follows:

	<u>2014</u>	<u>2013</u>
Cash Equivalents	\$ 15,330	\$ 6,331
Bond Funds	184,818	299,407
Stock Funds	<u>607,156</u>	<u>498,532</u>
TOTAL	<u>\$ 807,304</u>	<u>\$ 804,270</u>

For the year ended December 31, the investment return consisted of the following:

	<u>2014</u>	<u>2013</u>
Interest, dividends and mutual fund income	\$ 66,672	\$ 54,669
Net realized gains	36,327	28,387
Net unrealized gains (losses)	<u>(48,449)</u>	<u>81,617</u>
TOTAL	<u>\$ 54,550</u>	<u>\$ 164,673</u>

NOTE 3 – Pledges Receivable

Unconditional promises to give at December 31, 2014, are as follows:

Receivable in less than one year	\$ 2,000
Receivable in one to five years	-
	<u>2,000</u>
Less discount to net present value at 6%	-
Less allowance for uncollectibles	-
Net unconditional promises to give	<u>\$ 2,000</u>

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS - continued
DECEMBER 31, 2014 AND 2013

NOTE 4 – Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2014</u>	<u>2013</u>
Land	\$ 77,000	\$ 77,000
Building and improvements	2,226,220	2,221,028
Fixtures and equipment	99,480	94,808
Exhibits	<u>566,895</u>	<u>549,353</u>
	2,969,595	2,942,189
Accumulated depreciation	<u>(1,389,308)</u>	<u>(1,300,822)</u>
TOTAL	<u>\$ 1,580,287</u>	<u>\$ 1,641,367</u>

NOTE 5 – Line of Credit

As of December 31, 2014 and 2013, the Museum has a line of credit with Coulee Bank in the amount of \$50,000, of which \$0 was outstanding. The line of credit bears interest at the prime rate and is due and renewable, annually, in February.

NOTE 6 – Net Assets

Designated unrestricted net assets consist of funds invested for long-term growth as more fully described in Note 7.

Temporarily restricted net assets consist of promises to give and restricted due to time.

Permanently restricted net assets consist of beneficial interests in perpetual trusts as more fully described in note 7.

NOTE 7 – Endowment Funds and Perpetual Trusts

FASB ASC 958-205 (formerly FASB Staff Position No. FAS 117-1, “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds”) provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”), which was enacted by the State of Wisconsin in July of 2009. FASB ASC 958-205 also requires additional disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

As described below, the Museum’s endowments and perpetual trusts include both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS - continued
DECEMBER 31, 2014 AND 2013

NOTE 7 – Endowment Funds and Perpetual Trusts – continued

The Board of Directors of the Museum has interpreted the State of Wisconsin enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowments 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 funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Museum, and (7) the Museum’s investment policies.

Following is a description of the Museum’s endowment funds and perpetual trusts for purposes of the requirements of FASB ASC 958-205:

Board-Designated Endowment

In 2004, the Museum established a fund that is to function as an endowment. The purpose of the fund is to receive and hold property, transferred to the Museum, in perpetuity. The net income of the fund is to be distributed, from time to time, for the benefit of the Museum. Principle payments may be made, at the discretion of the Board of Directors, for necessary or appropriate purposes. These designated assets are held and maintained under an agency agreement with Trust Point and subject to the Museum’s investment policy.

Perpetual Trusts

Permanently restricted net assets consist of funds held in a perpetual trust and administered by the La Crosse Community Foundation (the “Foundation”). Investment decisions of funds held in perpetual trust are determined by the Foundation rather than the Museum.

The Museum is one of the beneficiaries of the Evelyn Bach Combined Foundation Trust. This perpetual trust, administered by a third party trustee, provides the irrevocable right to receive unrestricted income distributions in perpetuity.

Endowment and perpetual trust net asset composition by type of fund as of December 31, 2014 is as follows:

	<u>Permanently Restricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Total</u>
Board-designated endowment funds	\$ -	\$ -	\$ 95,863	\$ 95,863
Perpetual trusts	792,525	-	-	792,525
TOTAL	<u>\$ 792,525</u>	<u>\$ -</u>	<u>\$ 95,863</u>	<u>\$ 888,388</u>

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS - continued
DECEMBER 31, 2014 AND 2013

NOTE 7 – Endowment Funds and Perpetual Trusts – continued

Endowment and perpetual trust net asset composition by type of fund as of December 31, 2013 is as follows:

	<u>Permanently Restricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Total</u>
Board-designated endowment funds	\$ -	\$ -	\$ 97,175	\$ 97,175
Perpetual trusts	782,984	-	-	782,984
TOTAL	<u>\$ 782,984</u>	<u>\$ -</u>	<u>\$ 97,175</u>	<u>\$ 880,159</u>

Changes in endowment and perpetual trust net assets for the year ended December 31, 2014 are as follows:

	<u>Permanently Restricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Total</u>
Balance at beginning of year	\$ 782,984	\$ -	\$ 97,175	\$ 880,159
Donations	-	-	-	-
Investment income	-	-	9,034	9,034
Net appreciation	9,541	-	(5,974)	3,567
Distributions	-	-	(4,372)	(4,372)
BALANCE AT END OF YEAR	<u>\$ 792,525</u>	<u>\$ -</u>	<u>\$ 95,863</u>	<u>\$ 888,388</u>

Changes in endowment and perpetual trust net assets for the year ended December 31, 2013 are as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Balance at beginning of year	\$ 664,536	\$ -	\$ 79,796	\$ 744,332
Donations	-	-	-	-
Investment income	-	-	7,153	7,153
Net appreciation	118,448	-	11,016	129,464
Distributions	-	-	(790)	(790)
BALANCE AT END OF YEAR	<u>\$ 782,984</u>	<u>\$ -</u>	<u>\$ 97,175</u>	<u>\$ 880,159</u>

CHILDREN'S MUSEUM OF LA CROSSE, INC.
NOTES TO THE FINANCIAL STATEMENTS - continued
DECEMBER 31, 2014 AND 2013

NOTE 8 – Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at December 31 are as follows:

	2014		2013	
	Quoted Market Prices in Active Markets for Identical		Quoted Market Prices in Active Markets for Identical	
	<u>Fair Value</u>	<u>Assets (Level 1)</u>	<u>Fair Value</u>	<u>Assets (Level 1)</u>
Investments	\$ 807,304	\$ 807,304	\$ 804,270	\$ 804,270
Perpetual trust	792,525	792,525	782,984	782,984
TOTAL	<u>\$ 1,599,829</u>	<u>\$ 1,599,829</u>	<u>\$ 1,587,254</u>	<u>\$ 1,587,254</u>