



**THE SAND COUNTY FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**

December 31, 2016 and 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Sand County Foundation, Inc.  
Madison, Wisconsin

We have audited the accompanying financial statements of The Sand County Foundation, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, 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 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 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 Sand County Foundation, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
March 24, 2017

**Janesville Office:**  
101 E. Milwaukee Street  
Suite 425  
Janesville, WI 53545  
P: (608) 756-4020

**Baraboo Office:**  
123 Second Street  
P.O. Box 150  
Baraboo, WI 53913  
P: (608) 356-3966  
F: (608) 356-2966

**Milwaukee Office:**  
W229 N1433 Westwood Drive  
Suite 105  
Waukesha, WI 53186  
P: (262) 522-7555  
F: (262) 522-7550

**Madison Office:**  
2110 Luann Lane  
Madison, WI 53713  
P: (608) 274-4020  
F: (608) 274-0775

[www.wegnercpas.com](http://www.wegnercpas.com)  
[info@wegnercpas.com](mailto:info@wegnercpas.com)  
(888) 204-7665

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 49,190	\$ 353,195
Promises to give	436,497	122,500
Accounts receivable	43,499	41,637
Prepaid expenses	13,145	25,015
Total current assets	542,331	542,347
<b>OTHER ASSETS</b>		
Property and equipment - net	16,784	68,327
Long-term promises to give	120,494	181,865
Long-term investments	9,021,017	9,024,880
Total other assets	9,158,295	9,275,072
<b>Total assets</b>	<u>\$ 9,700,626</u>	<u>\$ 9,817,419</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 42,983	\$ 57,385
Accrued vacation and wages	26,124	27,408
Line of credit	150,344	-
Note payable	-	2,003
Total liabilities	219,451	86,796
<b>NET ASSETS</b>		
Unrestricted	5,957,091	6,061,629
Temporarily restricted	3,524,084	3,668,994
Total net assets	9,481,175	9,730,623
<b>Total liabilities and net assets</b>	<u>\$ 9,700,626</u>	<u>\$ 9,817,419</u>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years ended December 31, 2016 and 2015

	2016	2015
<b>UNRESTRICTED NET ASSETS</b>		
REVENUE, GAINS AND OTHER SUPPORT		
Contributions	\$ 1,061,662	\$ 792,835
Government grants	-	240,473
Program service fees	200,738	242,158
Rental income	-	21,399
Investment return	284,984	(36,387)
Donated services	9,205	16,675
Other	2,664	35,831
Gain on sale of land	-	1,996,888
Net assets released from restrictions	673,867	261,437
Total unrestricted revenue, gains and other support	2,233,120	3,571,309
EXPENSES AND LOSSES		
Program services		
Leopold Conservation Award®	711,949	472,177
Soil and Water	343,995	717,183
Species Conservation	360,948	395,837
Leopold Memorial Reserve	-	49,695
Total program services	1,416,892	1,634,892
Supporting activities		
Management and general	540,864	513,119
Fundraising	349,267	119,811
Total supporting activities	890,131	632,930
Total expenses	2,307,023	2,267,822
Loss on sale of land	30,635	-
Total expenses and losses	2,337,658	2,267,822
<b>Change in unrestricted net assets</b>	(104,538)	1,303,487
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	347,730	492,901
Investment return	181,227	(64,911)
Net assets released from restrictions	(673,867)	(261,437)
<b>Change in temporarily restricted net assets</b>	(144,910)	166,553
Change in net assets	(249,448)	1,470,040
Net assets - beginning of year	9,730,623	8,260,583
<b>Net assets - end of year</b>	<b>\$ 9,481,175</b>	<b>\$ 9,730,623</b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years ended December 31, 2016 and 2015

	Program Services				Supporting Activities			2016 Total
	Leopold Conservation Award®	Soil and Water	Species Conservation	Leopold Memorial Reserve	Total Program Services	Management and General	Fundraising	
Personnel	\$ 261,020	\$ 157,848	\$ 206,235	\$ -	\$ 625,103	\$ 286,011	\$ 141,910	\$ 1,053,024
Professional and contract services	133,117	102,978	99,158	-	335,253	126,652	149,014	610,919
Travel and vehicle expense	47,461	21,115	9,567	-	78,143	18,593	28,284	125,020
Operations	29,940	15,260	9,935	-	55,135	16,236	14,143	85,514
Conference, training and meetings	111,229	11,938	-	-	123,167	12,672	1,127	136,966
Grants to others	103,653	12,000	18,000	-	133,653	-	-	133,653
Occupancy and overhead	25,529	22,856	18,053	-	66,438	80,700	14,789	161,927
<b>Total expenses</b>	<b>\$ 711,949</b>	<b>\$ 343,995</b>	<b>\$ 360,948</b>	<b>\$ -</b>	<b>\$ 1,416,892</b>	<b>\$ 540,864</b>	<b>\$ 349,267</b>	<b>\$ 2,307,023</b>

	Program Services				Supporting Activities			2015 Total
	Leopold Conservation Award®	Soil and Water	Species Conservation	Leopold Memorial Reserve	Total Program Services	Management and General	Fundraising	
Personnel	\$ 142,634	\$ 213,542	\$ 195,976	\$ 17,697	\$ 569,849	\$ 216,590	\$ 63,771	\$ 850,210
Professional and contract services	111,155	327,155	119,640	13,044	570,994	145,009	35,375	751,378
Travel and vehicle expense	40,536	37,372	16,365	798	95,071	21,828	8,523	125,422
Operations	36,685	22,951	16,504	1,035	77,175	17,903	4,385	99,463
Conference, training and meetings	20,847	5,603	2,091	-	28,541	29,134	-	57,675
Grants to others	100,000	76,012	25,000	-	201,012	3,000	-	204,012
Occupancy and overhead	20,320	34,548	20,261	17,121	92,250	79,655	7,757	179,662
<b>Total expenses</b>	<b>\$ 472,177</b>	<b>\$ 717,183</b>	<b>\$ 395,837</b>	<b>\$ 49,695</b>	<b>\$ 1,634,892</b>	<b>\$ 513,119</b>	<b>\$ 119,811</b>	<b>\$ 2,267,822</b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years ended December 31, 2016 and 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (249,448)	\$ 1,470,040
Adjustments to reconcile change in net assets to net cash flows from operating activities		
(Gain) loss on sale of land	30,635	(1,996,888)
Donated land	-	(16,418)
Depreciation	7,645	16,967
Amortization of discount on promises to give	(6,296)	-
Net realized and unrealized (gains) losses on investments	(323,778)	251,677
(Increase) decrease in assets		
Promises to give	(246,330)	(221,365)
Accounts receivable	(1,862)	114,360
Prepaid expenses	11,870	(12,618)
Increase (decrease) in liabilities		
Accounts payable	(14,402)	16,471
Grants payable	-	(67,968)
Accrued vacation and wages	(1,284)	(67,932)
Net cash flows from operating activities	(793,250)	(513,674)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	(12,002)	-
Purchases of land	-	(250,000)
Proceeds from sale of land	25,265	2,844,853
Purchases of investments	-	(4,526,344)
Proceeds from sales of investments	408,346	-
Investment income retained in investments	(80,705)	(94,389)
Net cash flows from investing activities	340,904	(2,025,880)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on note payable	(2,003)	(5,550)
Proceeds from line of credit	150,344	-
Net cash flows from financing activities	148,341	(5,550)
<b>Net change in cash</b>	(304,005)	(2,545,104)
Cash - beginning of year	353,195	2,898,299
<b>Cash - end of year</b>	<u>\$ 49,190</u>	<u>\$ 353,195</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 411	\$ 498
Noncash investing transactions		
Donated land	-	16,418

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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The Sand County Foundation, Inc. is a 501(c)(3) non-profit organization dedicated to working with private landholders across North America on voluntary land management practices that benefit the environment. Sand County Foundation was founded fifty years ago to protect the land surrounding renowned conservationist Aldo Leopold's shack from development. Rather than depending on public acquisition, our protection strategy was rooted in private action inspired by Leopold's Land Ethic, using responsible, voluntary means.

Today, Sand County Foundation is the nation's leading voice for conservation on private land. The Foundation works with farmers, ranchers and foresters to improve the quality of their lands through science, ethics, and incentives. Our focus has expanded from research and experimental management on Leopold's land to supporting and encouraging the private stewards of hundreds of thousands of acres.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets*—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets*—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

*Permanently restricted net assets*—Net assets that have been restricted by donors to be maintained by the Foundation in perpetuity.

**Promises to Give**

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Accounts Receivable**

The Foundation considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful grants is required. If grants receivable become uncollectible, they will be charged to operations when that determination is made.

**Property and Equipment**

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Purchases of property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.



**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Investments**

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

The minority investment in the limited partnership is without a readily determinable fair value and is stated at cost. There is no quoted market price for this investment, and the Foundation has not obtained or developed the valuation model to determine the fair value estimate because the cost is not practical.

**Contributions**

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 statements of activities as net assets released from restrictions.

**Government Grants**

Certain programs of the Foundation are funded in part by service contracts with various government agencies. Revenue from these contracts is based upon either the actual cost of providing such services or an agreed upon fee schedule up to a maximum amount specified in the contracts. Costs are allocated to these programs in accordance with established procedures and are subject to audit by the government agencies. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

**Expense Allocation**

The costs of providing the Foundation's program services and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The following program services are included in the accompanying financial statements:

*Leopold Conservation Award*®—The Leopold Conservation Awards recognize landowners actively committed to a land ethic. Working with prominent conservation partners in eleven states, The Foundation presents the annual awards, which consist of \$10,000 and a Leopold crystal, in settings that showcase the landowners' achievements among their peers.

*Soil and Water*—The Foundation's program works with farmers and ranchers to encourage and assist them in improving their management of soils and water on their farms.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Species Conservation*—Through its emerging species conservation initiative, the Foundation uses some of the same essential principles from its body of work to build and support ecosystem-scale species conservation models that will engage, respect and incentivize private landowners and businesses; address species decline before an ESA intervention; and engender understanding and support for better habitat on private lands.

*Leopold Memorial Reserve*—The Leopold Memorial Reserve is located in Sauk County in south central Wisconsin and comprises about 1,900 acres of private land, roughly half of which the Foundation owned until late 2015. The reserve represented a cooperative partnership between the Foundation and other private landowners in and around the original Aldo Leopold farm and shack written about in *A Sand County Almanac*. This program ended in 2015 with the sale of the land.

*Supporting Activities*

Management and general expenses relate to the overall direction of the organization and include the costs necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of the organization, and perform other administrative functions including membership support and development costs. Fundraising expenses include the costs related to soliciting contributions from individuals, foundations, governments, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to the organization.

**Income Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Reclassifications**

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

**Date of Management's Review**

Management has evaluated subsequent events through March 24, 2017, the date which the financial statements were available to be issued.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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NOTE 2—CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at one financial institutions located in Madison, Wisconsin. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation had no uninsured balances at December 31, 2016. At December 31, 2015, the Foundation's uninsured cash balances totaled approximately \$118,000.

NOTE 3—PROMISES TO GIVE

Unconditional promises to give at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 436,497	\$ 122,500
Receivable in one to five years	<u>126,833</u>	<u>194,500</u>
Total unconditional promises to give	563,330	317,000
Less discounts to net present value	<u>6,339</u>	<u>12,635</u>
Net unconditional promises to give	<u>\$ 556,991</u>	<u>\$ 304,365</u>

Promises to give receivable in more than one year are discounted at 3.5%.

NOTE 4—INVESTMENTS

Investments at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Cash	\$ 164,429	\$ 324,877
Exchange traded funds	591,662	788,729
Bonds	133,000	94,500
Mutual funds	3,940,189	3,726,161
Stocks	1,165,393	1,064,269
Investment in limited partnership	2,956,344	2,956,344
C&H Investment Co., Inc. preferred stock	<u>70,000</u>	<u>70,000</u>
Investments	<u>\$ 9,021,017</u>	<u>\$ 9,024,880</u>

The investments are uninsured and are subject to changes in economic market conditions. The Foundation's investment policy attempts to minimize the risk of credit exposure through portfolio diversification.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

NOTE 4—INVESTMENTS (continued)

Investment return for 2016 and 2015 is summarized as follows:

	2016	2015
Interest and dividends	\$ 142,433	\$ 150,379
Net realized and unrealized gains (losses)	323,778	(251,677)
Investment return	\$ 466,211	\$ (101,298)

NOTE 5—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2016 and 2015 are as follows:

	Fair Value	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bonds	\$ 133,000	\$ -	\$ 133,000	\$ -
Exchange traded funds	591,662	591,662	-	-
Mutual funds	3,940,189	3,940,189	-	-
Stocks	1,165,393	1,165,393	-	-
C&H Investment Co., Inc. preferred stock	70,000	-	-	70,000
December 31, 2016	\$ 5,900,244	\$ 5,697,244	\$ 133,000	\$ 70,000
Bonds	\$ 94,500	\$ -	\$ 94,500	\$ -
Exchange traded funds	788,729	788,729	-	-
Mutual funds	3,726,161	3,726,161	-	-
Stocks	1,064,269	1,064,269	-	-
C&H Investment Co., Inc. preferred stock	70,000	-	-	70,000
December 31, 2015	\$ 5,743,659	\$ 5,579,159	\$ 94,500	\$ 70,000

Level 1 fair values are generally based on quoted prices in active markets. When quoted prices are not available, level 2 fair values are estimated using recently executed transactions. When position-specific external price data are not observable, level 3 fair value calculation is based on prices of comparable securities.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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NOTE 5—FAIR VALUE MEASUREMENTS (continued)

Fair value of C&H Investment Co., Inc. preferred stock is measured by dividing the future income stream by the required rate of return. The required rate of return is calculated by using a publicly traded preferred stock for a company having similar business and similar assets with similar liquidation preferences and other similar terms as a benchmark.

C&H Investment Co, Inc. preferred stock is valued at \$70,000. There has been no change in value during 2016 and 2015.

NOTE 6—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ -	\$ 55,900
Furniture and equipment	<u>138,758</u>	<u>127,756</u>
Property and equipment	138,758	183,656
Less accumulated depreciation	<u>121,974</u>	<u>115,329</u>
Property and equipment - net	<u>\$ 16,784</u>	<u>\$ 68,327</u>

Depreciation expense for 2016 and 2015 was \$7,646 and \$16,967.

NOTE 7—NOTE PAYABLE

Note payable at December 31, 2015 consisted of a 1.9% note payable to Toyota Financial Services with monthly payments of \$504 secured by the vehicle. The note was paid in March 2016. Interest expense for 2016 and 2015 was \$67 and \$498.

NOTE 8—LINE OF CREDIT

The Foundation entered into a margin loan with one of its investment managers collateralized by the Foundation's investments. The loan has no definite expiration. The loan may not exceed 50% of the market value of the investments at the time of the loan or 60% of the market value of investments at any time. The interest rate is variable based on the amount of the loan using a tiered structure. The outstanding balance at December 31, 2016 was \$150,344. Interest expense for 2016 was \$344. The outstanding balance at March 24, 2017 was \$250,344.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

**NOTE 9—NET ASSETS**

The board of directors as of December 31, 2016 and 2015 has chosen to place the following limitations on unrestricted net assets:

	2016	2015
Designated for Good Oak Fund	\$ 6,041,388	\$ 5,916,065
Undesignated	(84,297)	145,564
Unrestricted net assets	\$ 5,957,091	\$ 6,061,629

Temporarily restricted net assets at December 31, 2016 and 2015 are available for the following purposes:

	2016	2015
Endowment for EarthWork	\$ 2,909,629	\$ 3,102,814
Leopold Conservation Award	25,000	76,000
Mission Wildlife	26,192	29,272
Energy Resource Development	43,447	44,007
Environmental Quality	64,000	-
Monarch Joint Venture	9,580	-
Rare Species Success Stories	-	22,726
Paris Conference	4,400	-
Leadership for Midwestern Watersheds	10,259	32,859
Subsequent years' activities	431,577	361,316
Temporarily restricted net assets	\$ 3,524,084	\$ 3,668,994

**NOTE 10—BOARD DESIGNATED ENDOWMENT**

As of December 31, 2016 and 2015, the board of directors had designated \$6,041,388 and \$5,916,065 of unrestricted net assets as a general endowment fund to support the mission of the Foundation. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment. The Foundation works with its investment committee and two independent advisors to achieve positive investment results. These individuals are charged with measurement of investment results and presentation to the Foundation's board of directors.

To satisfy its long-term rate of return objectives, the Foundation relies on its investment committee and third-party advisors to implement strategies and evaluate the fund's performance against appropriate benchmarks where investments returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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NOTE 10—BOARD DESIGNATED ENDOWMENT (continued)

Changes in board-designated endowment net assets for 2016 and 2015 were as follows:

	Good Oak Fund	
	2016	2015
Beginning balance	\$ 5,916,065	\$ 2,772,689
Contributions	306,750	3,204,007
Amounts appropriated for expenditure	(404,682)	-
Investment income	24,270	12,571
Net appreciation (depreciation) of investments	198,985	(73,202)
Ending balance	\$ 6,041,388	\$ 5,916,065

NOTE 11—LEASES

The Foundation leases office space in Madison, Wisconsin. The Foundation pays a base rent starting at \$4,016 per month with annual 2% increases. The lease expires February 28, 2019 with the option to extend for an additional five year period. Future minimum lease payments for 2017, 2018, and 2019 are \$51,612, \$52,645, and \$8,803.

Rent expense for 2016 and 2015 totaled \$61,350 and \$66,178, and are included in occupancy and overhead costs in the statements of functional expenses.

NOTE 12—RELATED PARTY TRANSACTIONS

During 2015, the Foundation purchased land from a board member at a bargain price of \$250,000. The additional value of the land was recorded as a contribution of \$16,418.