

**THE COMMUNITY FOUNDATION
OF ST. CLAIR COUNTY AND
SUPPORTING ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS
with Supplementary Information**

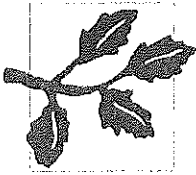
**FOR THE YEAR ENDED
DECEMBER 31, 2013**



**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

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DECEMBER 31, 2013**

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community foundation
of St. Clair County

June 2014

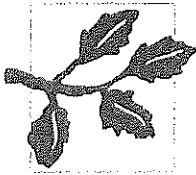
To our Board of Trustees, Volunteers, Donors and Partners:

The year-ended December 31, 2013 was a remarkable year for the Community Foundation of St. Clair County and its two supporting organizations ---The Community Renaissance Fund and the Blue Water Land Fund, Inc. The Foundation's consolidated assets reached an all-time high at \$47.7 million as of December 31, 2013, which was up \$12 million from the prior year-end. This significant increase is a testament to the generosity, human spirit and love for the greater Blue Water area.

As can be seen on the attached consolidated financial statements, excluding all agency-designated gifts, the Foundation received \$6.49 million in contributions, and \$1.704 million in government grant revenue (from the previously announced \$2 million grant for River Walk shoreline restoration from National Oceanic and Atmospheric Administration). It is important to note that this tremendous level of giving was made possible through the generosity of almost 1200 donors, 200 being new donors to the Foundation, and twelve new grant-making funds were created in 2013.

Another major factor in our notable asset increase for 2013 was our impressive investment growth. Our main investment pool produced a total fund composite return of 18.64% for 2013, which placed us at the 11th percentile among our peers (foundations having \$20-\$100 million in assets). Our returns for the 2-year, 3-year, 5-year and 7-year time horizons also ranked us within the top quartile among our peers. It is important to note that this performance was achieved by the Foundation adhering to its long-term investment strategies, which by purposeful design, will not capture all of the market highs yet conversely will also not experience all of the market lows. Our investments are actively overseen by a dedicated, knowledgeable and experienced Finance and Investment Committee and the services of an investment advisor and together, they have structured an investment portfolio that maintains the endowment corpus into perpetuity by targeting long-term growth and minimizing risk through diversification of asset classes, funds and managers. Having healthy, consistent returns puts the Foundation in the position of being able to continually meet the needs of the communities we serve now and in perpetuity.

On that point, as can be seen in the consolidated financial statements, the Foundation awarded grants and community program initiatives aggregating \$1.162 million after the necessary supporting organization eliminations totaling \$2 million, FAS 136 (agency fund) reporting adjustments, and refunds.



community foundation
of St. Clair County

The Foundation and its supporting organizations' mission reflect our commitment to bring the doers and donors together to tackle large scale community issues in the pursuit of improving the quality of life and place for those we serve. With a proactive vision, our Board strives to address the ever-changing community needs through a 3-year strategic-visioning process. For the 2013-2015 cycle, the Foundation's focus will be on People & Place. By investing in "People" and "Place" we will pursue tactics and initiatives which will help lead to a new, healthy and vibrant regional economy—a place to "live, work and play". Under this philosophy, we believe education and community and economic development are the top two priority areas and will be given preference for our discretionary funding.

The Foundation is proud to report that our efforts in the area of education are seeing very good results. In particular, our involvement in KnowHow2Go initiatives and the work of our College Access Office Coordinator to put students on a college-bound path have had tremendous success. As reported in recent National Student Clearinghouse data charts, Port Huron High School has increased their college enrollment rates from 46% to 71% in the last 5 years, and county-wide, college enrollment has seen a 5% increase since 2010.

Despite preference given to the top two priorities, the Foundation continues to actively support arts and culture and basic needs/human services. We recognize the key role the arts plays for communities through both its educational components and its place-making experiences available. Through donor- and organization-designated funds, the Foundation provides annual support to organizations including the International Symphony Orchestra, Port Huron Musicale, the Port Huron Museum, and Studio 1219. Additionally, our Blue Water Arts Committee oversees other grant-making within this priority area and in 2013, awarded grants for public art and numerous arts and music festivals. Through past Match Day events, 100 Women Who Care and 100 Men Events and more recently, our Give Where You Live event and Back to school events, we will continue supporting basic needs and always support and promote the good work of the non-profit organizations in our communities.

Continuing to be one of the Foundation's most visible and significant achievements is the development of Blue Water River Walk. What started as a vision with an initial gift of 4000 feet of shoreline by local philanthropists, Dr. James and Suzanne Acheson, was remarkably leveraged into a breath-taking community legacy. The official grand opening was held in June 2014. Now, the Foundation, its partners and donors look forward to further trail amenities and complimentary projects such as a fishing pier and wetlands park that will make this Blue Water River Walk even more of a destination for residents and tourists alike.

The Foundation views accountability, transparency and credibility as critical factors in its past, present and future success, and we take pride in having maintained an unmodified audit opinion annually since our inception in 1944, as well as being one of the first 150 community



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foundations to receive (and maintain) certification for compliance with national standards for community foundations. We strive to demonstrate these characteristics to all stakeholders including our Board and committees, donors, grantees and the general public, and use available technology to assist with this. We make all our policies and governing documents available on our website ---www.stclairfoundation.org---along with audited financial statements and IRS Form 990s (also available upon request). The need for improved donor reporting and access to information was a key reason behind our system conversion in 2013, and we are pleased to say that donor response has been great.

With regard to these audited financial statements, Foundation management has acknowledged and stood behind their responsibility for the financial statements, sound accounting policies, system of internal controls, and for the prevention and detection of fraud. Throughout the independent audit, management has made available all financial records, minutes, fund agreements, policies and procedures, and other documentation, and has provided the required, signed management representations regarding our operations and financial records.

With its vision, experience, and leadership, together our Board and Committee volunteers and staff will continue to bring donors and doers together, forge partnerships, collaborations and the pooling of resources to make our entire County a great place to live, work and play now and for years to come.

Respectively submitted,

A handwritten signature in cursive script that reads "Randy Maiers".

Randy Maiers
President & CEO

A handwritten signature in cursive script that reads "Karen A. Lee".

Karen A. Lee
Director of Finance

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Community Foundation of St. Clair County
Port Huron, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Foundation of St. Clair County (a nonprofit organization) and supporting organizations which comprise the consolidated statement of financial position as of December 31, 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of St. Clair County and supporting organizations as of December 31, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Community Foundation of St. Clair County's December 31, 2012 consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our reported dated June 17, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents and presented on pages 21-27 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Letter to the Volunteers, Donors, and Partners on pages I-1 through I-3, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014 on our consideration of the Community Foundation of St. Clair County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Foundation of St. Clair County's internal control over financial reporting and compliance.



Certified Public Accountants

June 18, 2014

BASIC FINANCIAL STATEMENTS

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012**

| | 2013 | Restated 2012 |
|---|---------------|------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 2,667,155 | \$ 2,808,706 |
| Receivables - | | |
| Pledges | 11,050 | 49,023 |
| Interest and other | 5,119 | 336 |
| Notes | 1,329 | 23,584 |
| Prepaid expenses | 8,506 | - |
| Total Current Assets | 2,693,159 | 2,881,649 |
| Non-Current Assets: | | |
| Pledges, net of discount of \$277 and \$3,208, respectively | 1,723 | 21,417 |
| Notes receivable, net of discount of \$530 and \$1,642, respectively | 74,055 | 84,019 |
| Total Non-Current Assets | 75,778 | 105,436 |
| Property and Equipment: | | |
| Land, land improvements, building, and equipment, net of accumulated depreciation of \$364,773 and \$337,662, respectively | 3,908,240 | 1,869,051 |
| Other Assets: | | |
| Cash surrender value of contributed life insurance | 159,510 | 155,776 |
| Certificates of deposit | 303,918 | 100,037 |
| Investments - endowments | 40,442,235 | 30,403,646 |
| Investments - charitable gift annuity | 112,446 | 116,980 |
| Total Other Assets | 41,018,109 | 30,776,439 |
| Total Assets | \$ 47,695,286 | \$ 35,632,575 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 76,139 | \$ 37,931 |
| Grants payable | 21,446 | 92,451 |
| Accrued expenses | 21,993 | 35,697 |
| Deferred revenue | 250 | 137,103 |
| Charitable gift annuity payable | 17,594 | 40,248 |
| Total Current Liabilities | 137,422 | 343,430 |
| Noncurrent Liabilities: | | |
| Note payable | 68,585 | 68,585 |
| Deferred compensation contract | 45,099 | 34,822 |
| Funds held as agency endowments | 1,582,872 | 1,364,507 |
| Total Noncurrent Liabilities | 1,696,556 | 1,467,914 |
| Total Liabilities | 1,833,978 | 1,811,344 |
| Net Assets: | | |
| Temporarily restricted | 36,384,537 | 26,357,234 |
| Unrestricted | 9,476,771 | 7,463,997 |
| Total Net Assets | 45,861,308 | 33,821,231 |
| Total Liabilities and Net Assets | \$ 47,695,286 | \$ 35,632,575 |

See accompanying notes to consolidated financial statements.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2012**

| | Unrestricted | Temporarily Restricted | Total | |
|--|------------------|---------------------------|-------------------|------------------|
| | | | 2013 | Restated 2012 |
| Revenues, gains and other support: | | | | |
| Public Support - | | | | |
| Contributions | | | | |
| Cash | \$ 627,038 | \$ 2,013,767 | \$ 2,640,805 | \$ 892,238 |
| Non-cash | 196,609 | 3,648,846 | 3,845,455 | 37,623 |
| Total Contributions | 823,647 | 5,662,613 | 6,486,260 | 929,861 |
| Revenue and Gains - | | | | |
| Government grants | 1,704,464 | - | 1,704,464 | 256,797 |
| Investment income, net of expense | 657,969 | 5,311,866 | 5,969,835 | 3,189,127 |
| Increase in cash surrender value of life insurance | 803 | 2,931 | 3,734 | 3,865 |
| Administrative fee income | 15,360 | - | 15,360 | 13,737 |
| Other | 749 | 5,886 | 6,635 | 8,452 |
| | 2,379,345 | 5,320,683 | 7,700,028 | 3,471,978 |
| Net Assets Released from Restrictions: | | | | |
| Expenses appropriated by the Board | 955,993 | (955,993) | - | - |
| | 4,158,985 | 10,027,303 | 14,186,288 | 4,401,839 |
| Total Revenues, Gains, and Other Support | 4,158,985 | 10,027,303 | 14,186,288 | 4,401,839 |
| Expenses: | | | | |
| Program expenses: | | | | |
| Youth Advisory Council | 1,895 | - | 1,895 | 711 |
| Grants | 1,048,696 | - | 1,048,696 | 753,914 |
| Community Initiatives | 113,405 | - | 113,405 | 110,106 |
| Other Program Expenses | 344,871 | - | 344,871 | 395,479 |
| Management and general | 409,863 | - | 409,863 | 357,753 |
| Fundraising expenses | 227,481 | - | 227,481 | 140,600 |
| | 2,146,211 | - | 2,146,211 | 1,758,563 |
| Total Expenses | 2,146,211 | - | 2,146,211 | 1,758,563 |
| Change in Net Assets | 2,012,774 | 10,027,303 | 12,040,077 | 2,643,276 |
| Net Assets at beginning of year, restated | 7,463,997 | 26,357,234 | 33,821,231 | 31,177,955 |
| Net Assets at end of year | \$ 9,476,771 | \$36,384,537 | \$ 45,861,308 | \$ 33,821,231 |

See accompanying notes to consolidated financial statements.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2012**

| | Program Services | | | Total |
|--------------------------------------|-------------------------|--------------------------|-------------------------|---------------------|
| | Community Foundation | Community Renaissance | Blue Water Land Fund | |
| Salaries | \$ 150,109 | \$ - | \$ - | \$ 150,109 |
| Employee Benefits/Payroll Taxes | 48,556 | - | - | 48,556 |
| Professional Services | 1,671 | - | 5,191 | 6,862 |
| Occupancy | 3,985 | 22,490 | - | 26,475 |
| Utilities | 913 | 3,924 | - | 4,837 |
| Equipment Rental and Maintenance | 2,509 | 196 | - | 2,705 |
| Telephone | 1,112 | 1,412 | - | 2,524 |
| Postage | 1,083 | - | - | 1,083 |
| Community Relations (net) | 12,809 | - | 387 | 13,196 |
| Donor Cultivation | 3,317 | - | 129 | 3,446 |
| Fundraising | - | - | - | - |
| Foundation Committee | 1,409 | - | 30 | 1,439 |
| Dues, Memberships, and Subscriptions | 1,857 | - | - | 1,857 |
| Insurance | 3,157 | 4,908 | 14,759 | 22,824 |
| Office Supplies | 912 | 197 | - | 1,109 |
| Stationary/Printing | 617 | - | 529 | 1,146 |
| Computer Maintenance | 5,903 | - | - | 5,903 |
| Conferences and Travel | 2,592 | 657 | 118 | 3,367 |
| Other | 886 | 18,700 | 26 | 19,612 |
| Depreciation | 6,809 | 15,025 | 5,987 | 27,821 |
| | <u>250,206</u> | <u>67,509</u> | <u>27,156</u> | <u>344,871</u> |
| Youth Advisory Council | 1,895 | - | - | 1,895 |
| Grants | 1,047,751 | 945 | - | 1,048,696 |
| Community Initiatives | - | 19,258 | 94,147 | 113,405 |
| | <u>-</u> | <u>19,258</u> | <u>94,147</u> | <u>113,405</u> |
| Total Expenses | <u>\$ 1,299,852</u> | <u>\$ 87,712</u> | <u>\$ 121,303</u> | <u>\$ 1,508,867</u> |

See accompanying notes to consolidated financial statements.

| Supporting Services | | Total | |
|---------------------------|-------------------|---------------------|---------------------|
| Management and General | Fundraising | 2013 | 2012 |
| \$ 240,122 | \$ 105,808 | \$ 496,039 | \$ 461,018 |
| 96,223 | 32,053 | 176,832 | 152,920 |
| 19,800 | - | 26,662 | 71,082 |
| 6,529 | 2,765 | 35,769 | 42,114 |
| 1,496 | 633 | 6,966 | 6,488 |
| 4,110 | 1,741 | 8,556 | 11,329 |
| 1,821 | 771 | 5,116 | 4,444 |
| 1,774 | 751 | 3,608 | 2,860 |
| - | - | 13,196 | 11,935 |
| - | - | 3,446 | 9,596 |
| - | 11,585 | 11,585 | 5,462 |
| - | - | 1,439 | 1,492 |
| 3,043 | 1,289 | 6,189 | 5,483 |
| 5,173 | 2,191 | 30,188 | 25,001 |
| 1,495 | 633 | 3,237 | 2,851 |
| 1,011 | 428 | 2,585 | 3,522 |
| 9,670 | 4,096 | 19,669 | 13,879 |
| 4,247 | 1,799 | 9,413 | 6,760 |
| 2,194 | 56,213 | 78,019 | 14,601 |
| 11,155 | 4,725 | 43,701 | 40,995 |
| 409,863 | 227,481 | 982,215 | 893,832 |
| - | - | 1,895 | 711 |
| - | - | 1,048,696 | 753,914 |
| - | - | 113,405 | 110,106 |
| <u>\$ 409,863</u> | <u>\$ 227,481</u> | <u>\$ 2,146,211</u> | <u>\$ 1,758,563</u> |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012**

| | 2013 | Restated 2012 |
|---|---------------|------------------|
| Cash Flows from Operating Activities: | | |
| Change in net assets | \$ 12,040,077 | \$ 2,643,276 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 43,701 | 40,995 |
| Increase in cash surrender value of contributed life insurance | (3,734) | (3,844) |
| Increase (decrease) in discount of pledges and notes | (4,043) | 1,056 |
| Non-cash contributions | (3,845,455) | (36,692) |
| Realized and unrealized gain on investment securities | (5,739,561) | (2,658,348) |
| Loss on disposal of assets | - | 216 |
| Increase / decrease in operating assets and liabilities - | | |
| Contributions receivable | 60,598 | (41,906) |
| Note receivables | 33,331 | 26,878 |
| Other receivables | (4,783) | 7,692 |
| Prepaid expenses | (8,506) | 165 |
| Accounts payable | 38,208 | (7,660) |
| Accrued expenses | (13,704) | 827 |
| Accrued employee benefits | 10,277 | 3,480 |
| Deferred revenues | (136,853) | 108,353 |
| Grants payable | (71,005) | 57,200 |
| Funds held as agency endowments | 218,365 | 275,304 |
| Charitable gift annuity payable | (22,654) | (111,780) |
| Net Cash Provided by Operating Activities | 2,594,259 | 305,212 |
| Cash Flows from Investing Activities: | | |
| Proceeds from sale of investments | 12,697,745 | 15,525,426 |
| Purchase of investments | (13,343,393) | (14,371,191) |
| Sale (purchase) of certificates of deposits | (203,881) | 200,963 |
| Purchase of property and equipment | (1,886,281) | (205,491) |
| Net Cash Provided by (Used in) Investing Activities | (2,735,810) | 1,149,707 |
| Net increase (decrease) in cash and cash equivalents | (141,551) | 1,454,919 |
| Cash and cash equivalents at beginning of year | 2,808,706 | 1,353,787 |
| Cash and cash equivalents at end of year | \$ 2,667,155 | \$ 2,808,706 |
| Noncash Investing activities: | | |
| Receipt of donated property and equipment | \$ 196,609 | \$ - |
| Donated investment securities | 3,648,846 | 36,692 |
| | \$ 3,845,455 | \$ 36,692 |

See accompanying notes to consolidated financial statements.

**COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES:**

DESCRIPTION OF ORGANIZATION:

The Community Foundation of St. Clair County is an IRS-approved 501(c)(3) charitable organization which works with donors and community partners to serve the charitable needs and enhance the quality of life primarily in and for the communities in St. Clair County. In November 2014, the Community Foundation will celebrate its 70th anniversary.

The Community Renaissance Fund was organized in 2004 as a 501(c)(3) to serve as a supporting organization of the Community Foundation of St. Clair County. The Board of Directors of the Community Renaissance Fund is determined by the Board of Trustees of the Community Foundation of St. Clair County. Since the Community Foundation of St. Clair County has a controlling interest, generally accepted accounting principles require that it be consolidated with the Community Foundation of St. Clair County.

The Blue Water Land Fund, Inc. was organized in 2011 as a 501(c)(3) to serve as a supporting organization of the Community Foundation of St. Clair County. The Board of Trustees of the Blue Water Land Fund, Inc. are appointed by the Board of Directors of the Community Foundation of St. Clair County. Since the Community Foundation of St. Clair County has a controlling interest, generally accepted accounting principles require that it be consolidated with the Community Foundation of St. Clair County.

The consolidated financial statements report all activities of the Community Foundation of St. Clair County, the Community Renaissance Fund, and Blue Water Land Fund, Inc., where any inter-company transactions are eliminated.

SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Community Foundation of St. Clair County and supporting organizations (the "Foundation") are in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. The following is a summary of policies, which are considered significant to the Foundation:

BASIS OF ACCOUNTING/PRESENTATION - The consolidated financial statements include the accounts of the Community Foundation of St. Clair County, the Community Renaissance Fund, and Blue Water Land Fund, Inc., which are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Inter-organizational transactions have been eliminated in the consolidated statements. The statements are presented in accordance with the accounting principles outlined in the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations and the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) Statement 958 *Financial Statements of Not-for-Profit Organizations*. In accordance with ASC 958, the Foundation is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - (cont'd):**

The bylaws of the Foundation include a variance provision that allows the Board of Trustees of the Foundation to vary the use of substantially all contributions. The Board of Trustees strives to honor a donor's charitable intent, unless in their sole judgment that intent becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the Foundation. Since the Board of Trustees must exercise the variance power, these contributions have been shown as temporarily restricted.

CASH AND CASH EQUIVALENTS - The Foundation considers all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

INVESTMENTS - The Foundation reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized and unrealized gains or losses reported in the Statement of Activities. Donated investments are recorded at the estimated "fair" value on the date received and thereafter carried in accordance with the above provisions.

Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

PLEDGES RECEIVABLE - Unconditional promises to give are recognized as contributions in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional contributions receivable that are expected to be collected within one year are recorded at the net realizable value, those that are expected to be collected in future years are recorded at the present value of the expected future cash flows using management's best estimate of key assumptions including collectability, payment period, and a discount rate commensurate with current market and other risks involved.

NOTES RECEIVABLE - Notes receivable are stated at the amount management expects to collect from outstanding balances. All notes are recorded net of any forgivable portion and long-term notes with no interest are recorded at the estimated present value.

Interest on loans is recognized over the term of the loan and is calculated on principal amounts outstanding according to the terms of the loan agreement.

GRANTS - Grants are recorded as expenses when they are approved by the Board of Trustees for payment.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - (cont'd):**

PROPERTY AND EQUIPMENT - Property and equipment consists of land, land improvements, buildings and improvements, office furniture, equipment, and leasehold improvements and are recorded at cost at the date of purchase or at estimated fair market value at the date of donation. Major additions are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Gains or losses from disposals are included in earnings. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

The estimated useful lives of the assets are as follows:

| | |
|---------------------------|------------|
| Building and improvements | 40 years |
| Leasehold improvements | 7-15 years |
| Furniture and equipment | 2-15 years |

INCOME TAXES - The Foundation is a not-for-profit organization classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) and is a nonprivate foundation under Section 509(a)(1) of the Internal Revenue Code of 1986. The Community Renaissance Fund and Blue Water Land Fund, Inc. are classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) and Type 1 supporting organizations under Section 509(a)(3). Accordingly, no provision for income taxes is required.

INVESTMENT POOLS AND ALLOCATION OF INVESTMENT INCOME - The funds are combined into one or more investment pools with various fund managers, whereby each participating fund shares a percentage interest of the total investments. Realized and unrealized gains and losses, interest and dividend income from securities in the investment pool, bank interest, and investment management and custodial fees are allocated monthly to the individual funds based on the relationship of the investment balance of each fund to the total investment balances of all funds in the pools.

FAIR VALUE MEASUREMENTS - ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The Foundation accounts for certain financial assets and liabilities at fair value.

FUNCTIONAL EXPENSES - The costs of providing the program and support services have been reported on a functional basis in the statement of activities. Indirect costs have been allocated between the program and support services based on direct salaries. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

ESTIMATES - In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - (cont'd):**

COMPARATIVE DATA - The financial statements include certain prior-year summarized comparative information in total but not by net asset class or by the functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2012 from which the summarized information was derived. Upon review of a fund agreement setup in 2012, it was determined a reclassification from an agency fund to a field of interest fund was more appropriate, therefore, for 2012 there is an increase of gifts of \$90,000 and investment income of \$12 for an increase of \$90,012 of temporarily restricted net assets as of December 31, 2012. Certain reclassifications have also been made to the prior year financial statements to conform to the 2013 presentation with no additional effect on net assets.

SUBSEQUENT EVENTS - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 18, 2014, the date the financial statements were available to be issued.

NOTE 2 - CASH AND INVESTMENTS:

CONCENTRATION OF CREDIT RISK -

Cash, cash equivalents, and certificates of deposit of \$2,971,073 at December 31, 2013 are made up of demand deposit accounts, certificates of deposit, money market funds held at various banks and investment fund managers, and \$50 petty cash funds. The bank balance at December 31, 2013 totaled \$3,047,082, of which \$2,274,147 was insured by depository insurance and \$772,935 was uninsured and uncollateralized.

INVESTMENTS -

At December 31, investments of the Foundation consist of the following:

| | <u>2013</u> | <u>2012</u> |
|--|----------------------|----------------------|
| Real Estate Fund | \$ 3,135,453 | \$ 1,818,748 |
| Common Stock | 1,761,220 | - |
| Common Commingled Trust Fund - Rothschild small-cap trust | 5,099,744 | 3,704,616 |
| Exchange Traded & Mutual Funds | 30,477,965 | 24,079,745 |
| U.S. Debt Securities - mortgage-backed securities | 645 | 752 |
| Corporate debt securities | 29 | 22 |
| Alternative investments (Hedge Fund of Funds) | <u>79,625</u> | <u>916,743</u> |
| Total | <u>\$ 40,554,681</u> | <u>\$ 30,520,626</u> |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 - CASH AND INVESTMENTS - (cont'd):

The Foundation had the following return on investment for the year ended December 31:

| | 2013 | 2012 |
|--------------------------------|--------------|--------------|
| Interest and Dividends | \$ 598,907 | \$ 616,774 |
| Gain on Sale of Investments | 2,045,596 | 848,572 |
| Unrealized Gain on Investments | 3,471,738 | 1,809,776 |
| Investment Management Fees | (146,406) | (85,995) |
| Total | \$ 5,969,835 | \$ 3,189,127 |

NOTE 3 - PROPERTY AND EQUIPMENT:

The following is a summary of Property and Equipment at December 31, 2013:

| | |
|---------------------------------|--------------|
| Land | \$ 3,066,553 |
| Land improvements | 585,382 |
| Buildings and improvements | 170,210 |
| Leasehold improvements | 243,317 |
| Equipment | 162,356 |
| Construction in progress | 45,195 |
| | 4,273,013 |
| Less – accumulated depreciation | (364,773) |
| | \$ 3,908,240 |

Depreciation expense for the year was \$43,701.

NOTE 4 - PLEDGES RECEIVABLE:

The Foundation pledges receivable at December 31, 2013 totaled \$13,050 with \$11,050 due in less than one (1) year with the remainder due within five (5) years. The amount of \$1,723 is considered the discounted value (5%) of contributions receivable in excess of one year at December 31, 2013.

The Foundation uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible contributions receivable at December 31, 2013.

NOTE 5 - NOTES RECEIVABLE:

James C. Acheson 85 Trust - This asset and liability relate to a property acquired by the Community Action Agency of St. Clair County, funded by the Community Renaissance Fund through a gift from the James C. Acheson 85 Trust. As stipulated in the supporting letters of agreement, when the current renters no longer reside in the property, such property will be sold. At that time, the greater of the sales proceeds or the original loan amount of \$68,585 shall be repaid to the Community Renaissance Fund, who in turn agrees to repay the James C. Acheson 85 Trust this amount, less the cost of any major repairs that were needed during the rental period. The balance at December 31, 2013 including the current portion of \$0 is:

\$ 68,585

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 5 - NOTES RECEIVABLE - (cont'd):

Small Business Loans -

In December 2009, the Community Renaissance Fund provided a small business loan in the amount of \$10,000 to be repaid in monthly installments of \$222 over the next four years beginning February 1, 2010. The balance at December 31, 2013, including the current portion of \$204 is: \$ 204

In May 2009 the Community Renaissance Fund provided a small business loan in the amount of \$20,000 to be repaid in monthly installments of \$360 over the next five years. The balance at December 31, 2013, including the current portion of \$1,125 is: 1,125

Promissory Notes - In July 2011, the Community Foundation of St. Clair County loaned \$30,000, without interest, to be repaid in quarterly installments of \$1,500 over five years. The discount on the note receivable in excess of one year at December 31, 2013 is \$530. The balance at December 31, 2013, including the current portion of \$0 is (there is no current portion since advance payments have been made): 5,470

\$ 75,384

Home Improvement Loans - During the years 2004 through 2006, home improvement loans in amounts up to \$30,000 were offered to renters, landlords and potential buyers of homes in a ten block residential area who were willing to convert a home from renter-occupied to owner-occupied. The Port Huron geographic area involved, the eligibility criteria and loan terms were established in conjunction with applicable funding sources, and new loans were not offered after 2006. The loans were interest-free, and one-half was repayable upon the sale of the home. The Foundation is listed on the promissory note and as a mortgagor on the mortgage. However, because of the trend of foreclosure and declining economy, and the fact that the Foundation is the second mortgagor, these loans have not been recorded as a receivable for financial statement purposes. Any subsequent payments will be recorded as revenue in the year they are received. The balance outstanding at December 31, 2013 amounted to \$91,451.

NOTE 6 - GRANTS PAYABLE:

At December 31, 2013, the Foundation's grants payable was \$21,446 which is payable in less than one year.

NOTE 7 - LIFE INSURANCE CONTRACTS:

The Foundation is the owner and beneficiary of life insurance policies for four individuals with an aggregate face value of \$542,345. The annual premiums are paid with contributions received from the individuals insured by the policies or by the policies' equity. The cash surrender value of these policies has been recorded as revenue and an asset when donated. Annual increases or decreases in the cash surrender value of the policies are recorded as revenue (or reduction of revenue) in the year incurred. The cash surrender value at December 31, 2013 is \$159,510.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 8 - DEFERRED COMPENSATION:

Effective January 1, 2005, the Foundation's Board approved the creation of a 403(b) Retirement Savings Plan, for the purpose of providing employees the opportunity to accumulate a source of retirement income in addition to Social Security and personal savings. All Foundation employees may make voluntary, tax-deferred contributions to the Plan, up to IRS limits, through salary reduction agreements. The Plan also provides for discretionary non-elective employer contributions (presently at 5%) for all employees who work 1,000 hours annually and have one year of service, with 100% immediate vesting. Fidelity Investments is the service provider of this Plan and contributions made under this Plan are electronically transferred on the same day as payroll. For the year ended December 31, 2013, the Foundation contributed \$23,713.

Additionally, effective October 1, 2004, the Foundation has a Deferred Compensation Benefit Agreement with its CEO/President. This agreement outlines a prorated, annual deferred compensation amount and a rolling 5-year vesting period as calculated from the effective date of the agreement. As of December 31, 2013, the CEO/President has "unvested" deferred compensation rights of \$45,099.

NOTE 9 - ADMINISTRATIVE FEES:

The Foundation assesses a monthly management fee on the individual funds maintained, which supports Foundation operations. Administrative fees, as outlined in the current fee schedule, vary based upon the fund type and per annum, range from 1% to 2% of the market value of the fund's investments.

Total administrative fees assessed for the year ended December 31, 2013 were \$439,850, which represents revenue to the Foundation's Operating Fund and expense to the individual endowment funds. Due to the inter-fund nature of these transactions, consolidated financial statements only report the portion of administrative fee revenue associated with funds held as agency endowments, as further explained in Note 15.

NOTE 10 - LEASE COMMITMENT:

In 2000, the Foundation entered into a lease agreement for their office facilities, expiring May 31, 2015. Three five-year renewal options are available to the Foundation, which, if exercised, would extend the lease through May 31, 2030. The annual lease expense is \$12,000. The lease provides that the Foundation shall pay its own insurance and utilities and also provides that the rent will increase every five years based upon increases in the Consumer Price Index.

In 2002, the Foundation entered into a lease agreement for additional space adjacent to their office facilities, providing more office space for added staff and a large conference center. The terms of this lease provided for five renewal options in 5-year increments, the first of which was exercised in 2007 and expired in April 2012 when the Foundation began leasing the space on a month-to-month basis. The lease also provides that the Foundation shall pay its own insurance and utilities and also provides that the rent will increase every five years based upon increases in the Consumer Price Index. In June 2013, the lease was amended so the term of the current renewal period shall end May 31, 2015, which will align itself to the adjacent space.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 10 - LEASE COMMITMENT - (cont'd):

The future minimum annual rental commitments under the lease agreement in effect at December 31, 2013, and for each year ending December 31, and thereafter; exclusive of property taxes, insurance and utilities and without regard to any future adjustment resulting from changes in the Consumer Price Index are summarized below:

| | |
|-------|------------------|
| 2014 | \$ 12,000 |
| 2015 | <u>5,000</u> |
| Total | <u>\$ 17,000</u> |

Total rent expense for the year ended December 31, 2013 was \$32,467.

In January 2014 the facilities had significant water damage from broken pipes. As a result, the Foundation was required to relocate to another location and management is in negotiation with the lessor regarding the remaining portion of the lease. No lease payments have been paid since January 2014 for the damaged facilities.

NOTE 11 - CHARITABLE GIFT ANNUITY:

On December 18, 2002, donors' transferred assets having a fair value of \$302,930 to the Community Foundation of St. Clair County whereby the Foundation agreed to pay annual distributions of \$23,931 in quarterly installments of \$5,983 beginning March 31, 2003 to the donors for the remainder of their lives.

The fair value of the transferred assets as of December 31, 2013, was \$112,446 and the present value of the estimated future payments was \$17,594 at December 31, 2013, calculated using a discount rate of 4% and applicable mortality tables. The difference between the assets and estimated future payments of \$94,852 represents the net assets.

NOTE 12 - FAIR VALUE MEASUREMENTS:

In accordance with ASC 820, the Community Foundation uses fair value measurements to record adjustments to certain assets and liabilities. The ASC 820 defines fair value as "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 Codification also sets out a fair value hierarchy ranking the levels of the inputs used as assumptions in the valuation techniques used to value an asset or liability. The fair value hierarchy gives the highest priority to quoted prices in an active market for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Transfers between levels are deemed to have occurred as of the beginning of the year. The three levels of hierarchy are described as follows:

Level 1 - inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions of the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted market prices of similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and pricing models developed principally from inputs from or corroborated by observable market data by correlation or other means.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 12 - FAIR VALUE MEASUREMENTS - (cont'd):

Level 3 - inputs are unobservable and allowed in situations where there is little, if any, market activity for the asset or liability at the measurement date. These inputs reflect the reporting entity's own assumptions about assumptions that would be used by market participants.

The following table presents the Community Foundation's fair value hierarchy for the assets and liabilities measured at fair value as of December 31, 2013:

Assets and Liabilities Measured at Fair Value on a Recurring Basis:

| | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|---------------------------------|----------------------|----------------------|---------------------|---------------------|
| Assets | | | | |
| Investments - | | | | |
| Real Estate Funds | \$ 3,135,453 | \$ - | \$ - | \$ 3,135,453 |
| Common Stock | 1,761,220 | 1,761,220 | - | - |
| Common Commingled Trust Fund- | | | | |
| Rothschild small-cap trust | 5,099,744 | - | 5,099,744 | - |
| Exchange Traded & Mutual Funds | 30,477,965 | 30,477,965 | - | - |
| U.S. Debt Securities - mortgage | | | | |
| backed securities | 645 | - | 645 | - |
| Corporate Debt Securities | 29 | - | 29 | - |
| Alternative Investments (Hedge | | | | |
| Fund of Funds) | <u>79,625</u> | <u>-</u> | <u>-</u> | <u>79,625</u> |
| Total Assets | <u>\$ 40,554,681</u> | <u>\$ 32,239,185</u> | <u>\$ 5,100,418</u> | <u>\$ 3,215,078</u> |
| Liabilities | | | | |
| Charitable Gift Annuity Payable | \$ 17,594 | \$ 17,594 | \$ - | \$ - |
| Funds held as Agency Endowments | <u>1,582,872*</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 1,600,466</u> | <u>\$ 17,594</u> | <u>\$ -</u> | <u>\$ -</u> |

* The fair value of these liabilities is based on the composite of the investments noted above.

Level 1 classification consists of mutual funds and common stocks with observable market prices.

Level 2 classifications consist of the following:

Common Comingled Funds - are based on data where detailed holdings were available and where the reporting entity can redeem its investment with the investee at Net Asset Value (NAV) per share at the measurement date.

Mortgage Backed Securities and Corporate Debt Securities - are based on other market data for the same or comparable instrument or transactions.

Level 3 classification consists of the following:

Real Estate Funds - are based on net asset value per share based on investment administrators annual independent appraisals or quarterly internal valuations by the fund managers, combined with valuations of income streams using the income approach, the current cost of replacing real estate using the cost approach, and utilizing recent sales of comparable real estate in the market using the sales approach.

Alternative Investments (Hedge Fund of Funds) - are based on net asset value per share based on information provided by the administrators of each underlying fund.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 12 - FAIR VALUE MEASUREMENTS - (cont'd):

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares in investment companies at year end where the fair value of the investment held is estimated based on the net asset value per share of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency, if Eligible</u> | <u>Redemption Notice Period</u> |
|-------------------------|-------------------|---------------------------------|--|-------------------------------------|
| Real Estate Fund | \$ 2,021,361 | \$ - | End of each month | None |
| Commingled Trust | 5,099,744 | - | End of each month | 10 days |
| Alternative Investments | 79,625 | - | Quarterly | 45-95 days |

The following table presents a reconciliation of the beginning and ending balance of Level 3 investment activity that is measured at fair value using unobservable inputs:

| | |
|---|---------------------|
| | <u>Investments</u> |
| Beginning balance | \$ 2,736,265 |
| Transfers | (775) |
| Purchases | 1,349,828 |
| Realized and unrealized gain, net of fees | 288,173 |
| Sales | <u>(1,158,413)</u> |
| | <u>\$ 3,215,078</u> |

The realized and unrealized gain on investments, net of fees listed above is included in the investment income, net of expenses on the statement of activities.

The transfer has occurred due to reevaluation of the assets and inputs used to value them (U.S. Debt and Corporate Debt Securities).

NOTE 13 - DONOR RESTRICTED AND BOARD DESIGNATED ENDOWMENTS:

Net Asset Classifications

In August 2008, The Financial Accounting Standards Board issued Staff Position No. FAS 117-1 (ASC 958), 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 (UPMIFA), and Enhanced Disclosures for All Endowment Funds. ASC 958 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The ASC 958 also improves 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.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 13 - DONOR RESTRICTED AND BOARD DESIGNATED ENDOWMENTS - (cont'd):

The State of Michigan adopted UPMIFA effective September 10, 2009. The Foundation has determined that the majority of its net assets meet the definition of endowment funds under UPMIFA.

The Foundation is governed subject to Governing Documents and most contributions are received subject to the terms of these Governing Documents. Under the terms of these Governing Documents, the Board of Trustees is given Variance Power, which is the ability to distribute so much of the corpus of any gift, bequest or fund as the Board, in its sole discretion, shall determine. In accordance with UPMIFA, the Foundation 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 purposes of the donor-restricted endowment fund in conjunction with the Foundation's non-profit status;
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. The Foundation's other available resources;
7. The Foundation's investment policies.

Most contributions and related fund agreements are subject to the terms of the Foundation's Governing Documents and specifically include language addressing the Community Foundation's Variance Power. As a result of this ability to distribute corpus, all contributions subject to the Governing Documents and subject to UPMIFA are classified as temporarily restricted until appropriated, at which time the appropriation is reclassified to unrestricted net assets. Temporarily restricted net assets also consist of irrevocable charitable gift annuities, cash surrender values under several life insurance policies, and contribution receivables. Contributions that are not subject to the variance power would be recorded as permanently restricted, temporarily restricted or unrestricted, depending upon the specific terms of the agreement. Generally, for those contributions and funds that are not subject to UPMIFA, net assets are classified as unrestricted.

| | <u>Board Designated</u> | <u>Donor Restricted</u> |
|--------------------------------------|-------------------------|-------------------------|
| Balance at January 1, 2013, restated | \$ 4,087,089 | \$ 26,357,234 |
| Contributions/grants | 1,775,228 | 5,662,613 |
| Net appreciation | 597,107 | 2,866,690 |
| Investment income | 48,070 | 2,445,176 |
| Other income | 1,113 | 8,817 |
| Expenses appropriated by the Board | (2,303,919) | (955,993) |
| | <u>\$ 4,124,688</u> | <u>\$ 36,384,537</u> |

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain "real" growth of assets, net of inflation, spending and fees. The Fund's investment objective is to earn a "real" rate of return which exceeds the rate of inflation by at least 4% per year over rolling five-year periods. The rate of inflation is defined as the annual rate of change in the Consumer Price Index.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 13 - DONOR RESTRICTED AND BOARD DESIGNATED ENDOWMENTS - (cont'd):

The Foundation's objective is based on the expected returns under a strategic asset allocation policy outlining its diversification of asset classes. This asset allocation policy should result in normal fluctuation in the actual return, year-to-year, yet the expected level of volatility (or return fluctuation) is appropriate given the Fund's current and expected tolerance for short-term return fluctuations. Through appropriate diversification of assets, investment return volatility is reduced.

The Foundation's spending policy works together with the investment policy to provide a suitable level of funding to meet the donor and community charitable needs, while preserving the real value of endowment assets. The Foundation's spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for both grant-making and administration, as deemed prudent by the Board after careful review and consideration of each Fund's health in terms of its corpus and the investment factors previously denoted. For each calendar year, the current spending policy is to generally distribute an amount equal to 5% of a rolling 16 quarter as determined as of September 30th of the previous year. The spending policy sets forth that a fund must be in existence for at least 12 months and have reached a \$25,000 fund minimum before spending is allowed unless otherwise supplemented by the donor. The policy further outlines spending criteria that is intended to balance the community's charitable needs, preserve funds in perpetuity, yet prevent excessive accumulation of market growth as follows:

- Suspend spending where appropriate or at least limit spending to ordinary net income when continued market downturns have begun to infringe upon a fund's long-term health; and
- Establish a spending minimum of 3% and maximum 4% of total assets on funds that well maintained their purchasing power over time.

NOTE 14 - RELATED ORGANIZATION:

P.H. Arts Incubator, Inc. -

P.H. Arts Incubator, Inc. was organized in 2004 as a 501(c)(3) for the purpose of performing the functions of, or carrying out the charitable or other exempt purposes of (a) the Community Renaissance Fund and/or the City of Port Huron Downtown Development Authority. The six member Board of Directors are appointed, three each, by the Community Renaissance Fund and the Port Huron Downtown Development Authority. Since the Community Foundation of St. Clair County does not have control of the entity, its activities have not been included with the Foundation's financial statements.

P.H. Arts Incubator, Inc. acquired a building to establish an art center and gallery. The building acquisition was made possible through a joint purchase by the Community Renaissance Fund (funded by a grant from the Community Foundation of St. Clair County), and the City of Port Huron's Downtown Development Authority, at a cost of \$87,500 each. The James C. Acheson Foundation funded substantial renovations to the building and as a result, has a first purchase option in the amount of \$175,000, should the P.H. Arts Incubator, Inc. plan to sell the building. In that event, P.H. Arts Incubator, Inc. would use the sale proceeds to return the initial investment of \$87,500 to both the City of Port Huron Downtown Development Authority and the Community Renaissance Fund.

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 15 - FUNDS HELD AS AGENCY ENDOWMENTS:

At December 31, 2013, the Foundation was the owner of 31 Agency Endowment Funds with a combined value of \$1,582,872. These funds are reported in accordance with Statement of Financial Accounting Standards Accounting Standards Codification Statement 605, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions For Others." These funds include donations from an agency for a Fund that benefits the same agency, or a hybrid of both donations from the agency and from unrelated third parties. Although all donations received are legally owned by the Community Foundation and remain its assets, the portion of the Fund that comes from the beneficiary agency is considered a reciprocal transfer and as such, The Community Foundation is required to report an offsetting liability. This liability must be equal to the donations from the agency plus the proportionate share of the Fund's realized and unrealized market gains and losses, investment income, fees and grant awards. Despite the offsetting liability, the Foundation generally considers these ASC 605 Funds to be permanently endowed and expects them to grow over time.

The following table summarizes the activity in such funds:

| | |
|--|---------------------|
| Agency Endowment Balances at January 1, 2013, restated | \$ 1,364,507 |
| Agency gifts | 42,003 |
| Interest and dividends | 52,959 |
| Realized gains on investments | 89,595 |
| Unrealized gains on investments | 132,632 |
| Grants | (70,360) |
| Administrative fees | (15,360) |
| Investment management fees | (13,104) |
| Agency Endowment Balances at December 31, 2013 | <u>\$ 1,582,872</u> |

SUPPLEMENTARY FINANCIAL INFORMATION

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
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**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013**

| | <u>Community Foundation</u> | <u>Community Renaissance</u> | <u>Blue Water Land Fund</u> | <u>Consolidated Adjustments</u> | <u>Total</u> |
|--|---------------------------------|----------------------------------|---------------------------------|-------------------------------------|----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,424,544 | \$ 40,683 | \$ 201,928 | \$ - | \$ 2,667,155 |
| Certificates of deposit | 303,918 | - | - | - | 303,918 |
| Investments | 40,554,681 | - | - | - | 40,554,681 |
| Pledge receivable, net of discount of \$277 | 12,773 | - | - | - | 12,773 |
| Note receivable, net of discount of \$530 and \$0, respectively | 5,470 | 69,914 | - | - | 75,384 |
| Interest and other receivables | 5,617 | 150 | - | (648) | 5,119 |
| Prepaid expense | 8,506 | - | - | - | 8,506 |
| Land, land improvements, building, and equipment, net of accumulated depreciation of \$233,421, \$125,365, and \$5,987 | 66,973 | 150,124 | 3,691,143 | - | 3,908,240 |
| Cash surrender value of contributed life insurance | 159,510 | - | - | - | 159,510 |
| | <u>159,510</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>159,510</u> |
| Total Assets | <u>\$ 43,541,992</u> | <u>\$ 260,871</u> | <u>\$ 3,893,071</u> | <u>\$(648)</u> | <u>\$47,695,286</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 16,095 | \$ 856 | \$ 59,836 | \$(648) | \$ 76,139 |
| Accrued expenses | 21,597 | 396 | - | - | 21,993 |
| Grants payable | 21,446 | - | - | - | 21,446 |
| Deferred revenue | 250 | - | - | - | 250 |
| Charitable gift annuity payable | 17,594 | - | - | - | 17,594 |
| Note payable | - | 68,585 | - | - | 68,585 |
| Deferred compensation contract | 45,099 | - | - | - | 45,099 |
| Funds held as agency endowments | 1,582,872 | - | - | - | 1,582,872 |
| | <u>1,704,953</u> | <u>69,837</u> | <u>59,836</u> | <u>(648)</u> | <u>1,833,978</u> |
| Total Liabilities | <u>1,704,953</u> | <u>69,837</u> | <u>59,836</u> | <u>(648)</u> | <u>1,833,978</u> |
| Net Assets: | | | | | |
| Temporarily restricted | 36,384,537 | - | - | - | 36,384,537 |
| Unrestricted | 5,452,502 | 191,034 | 3,833,235 | - | 9,476,771 |
| Total Net Assets | <u>41,837,039</u> | <u>191,034</u> | <u>3,833,235</u> | <u>-</u> | <u>45,861,308</u> |
| Total Liabilities and Net Assets | <u>\$ 43,541,992</u> | <u>\$ 260,871</u> | <u>\$ 3,893,071</u> | <u>\$(648)</u> | <u>\$ 47,695,286</u> |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | <u>Community Foundation</u> | <u>Community Renaissance</u> | <u>Blue Water Land Fund</u> | <u>Consolidated Adjustments</u> | <u>Total</u> |
|---|---------------------------------|----------------------------------|---------------------------------|-------------------------------------|----------------------|
| Revenue, gains and other support: | | | | | |
| Public Support - | | | | | |
| Contributions | | | | | |
| Cash | \$ 2,558,009 | \$ 83,200 | \$ 2,000,015 | \$(2,000,419) | \$ 2,640,805 |
| Non-cash | 3,648,845 | - | 196,610 | - | 3,845,455 |
| Total Contributions | <u>6,206,854</u> | <u>83,200</u> | <u>2,196,625</u> | <u>(2,000,419)</u> | <u>6,486,260</u> |
| Revenue and Gains - | | | | | |
| Government grants | 1,704,464 | - | - | - | 1,704,464 |
| Investment income net of expense | 5,969,147 | 244 | 444 | - | 5,969,835 |
| Increase in cash surrender value of life insurance | 3,734 | - | - | - | 3,734 |
| Administrative fee income | 15,360 | - | - | - | 15,360 |
| Other | 30,570 | 440 | - | (24,375) | 6,635 |
| | <u>7,723,275</u> | <u>684</u> | <u>444</u> | <u>(24,375)</u> | <u>7,700,028</u> |
| Total Revenue, Gains, and Other Support | <u>13,930,129</u> | <u>83,884</u> | <u>2,197,069</u> | <u>(2,024,794)</u> | <u>14,186,288</u> |
| Expenses: | | | | | |
| Program expenses: | | | | | |
| Youth Advisory Council | 1,895 | - | - | - | 1,895 |
| Grants | 3,048,170 | 945 | - | (2,000,419) | 1,048,696 |
| Community Initiatives | - | 19,258 | 94,147 | - | 113,405 |
| Other Program Expenses | 250,206 | 67,509 | 51,531 | (24,375) | 344,871 |
| Management and general | 396,402 | 13,461 | - | - | 409,863 |
| Fundraising expenses | 227,481 | - | - | - | 227,481 |
| | <u>3,924,154</u> | <u>101,173</u> | <u>145,678</u> | <u>(2,024,794)</u> | <u>2,146,211</u> |
| Total Expenses | <u>3,924,154</u> | <u>101,173</u> | <u>145,678</u> | <u>(2,024,794)</u> | <u>2,146,211</u> |
| Change in Net Assets | 10,005,975 | (17,289) | 2,051,391 | - | 12,040,077 |
| Net Assets at beginning of year, restated | <u>31,831,064</u> | <u>208,323</u> | <u>1,781,844</u> | <u>-</u> | <u>33,821,231</u> |
| Net Assets at end of year | <u>\$ 41,837,039</u> | <u>\$ 191,034</u> | <u>\$ 3,833,235</u> | <u>\$ -</u> | <u>\$ 45,861,308</u> |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND
DECEMBER 31, 2013**

| | Net Assets | | | | Agency Endowment |
|--|--------------|------------|---------------------------|--------------|---------------------|
| | Unrestricted | | Temporarily Restricted | | |
| | Undesignated | Board | Donor Restricted | Total | |
| | | Designated | | | |
| General Charitable Funds: | | | | | |
| Program and Services (Operating) Fund | \$ 1,202,081 | \$ - | \$ - | \$ 1,202,081 | \$ - |
| Community Investment Fund | - | 2,184,926 | - | 2,184,926 | - |
| Acheson Community Foundation Fund | - | - | 3,486,825 | 3,486,825 | - |
| James C. Acheson Fund | - | - | 1,435,599 | 1,435,599 | - |
| Emerson G. and Lucilda A. Brown Fund | - | - | 166,516 | 166,516 | - |
| Earl H. Donaldson Endowment Fund | - | 33,404 | - | 33,404 | - |
| Donald W. and Alice I. Giese Endowment Fund | - | - | 138,898 | 138,898 | - |
| Margaret C. Lutz Endowment | - | 164,900 | - | 164,900 | - |
| John Shier Fund | - | - | 34,182 | 34,182 | - |
| Burman J. Misenar Endowment Fund | - | - | 155,700 | 155,700 | - |
| Florence C. Stephen Fund | - | 153,990 | - | 153,990 | - |
| Virginia E. Farmer Endowment Fund | - | - | 67,657 | 67,657 | - |
| Francis P. Willson Fund | - | 1,206,719 | - | 1,206,719 | - |
| Wirtz/Ogden Fund | - | - | 150,200 | 150,200 | - |
| John and Rose Marie Wismer Fund | - | - | 911,506 | 911,506 | - |
| Russell A. "Tim" Sheldon Endowment | - | - | 38,788 | 38,788 | - |
| Turcotte/Craig Fund | - | - | - | - | - |
| Scholarship Funds: | | | | | |
| Alice W. Moore Memorial Scholarship Fund | - | - | 132,403 | 132,403 | - |
| Howard A. Acheson Memorial Fund | - | - | 1,114,124 | 1,114,124 | - |
| Father Bartone Fund | - | - | 825,696 | 825,696 | - |
| Beth Linsheid Duff Scholarship Fund | - | - | 123,519 | 123,519 | - |
| Joseph Caimi Scholarship Fund | - | - | 46,170 | 46,170 | - |
| Jack S. Campbell Memorial Fund | - | - | 130,526 | 130,526 | - |
| Darin Conrad Memorial Scholarship Fund | - | - | 46,036 | 46,036 | - |
| Fuller Hansen Educational Trust Fund | - | - | 881,599 | 881,599 | - |
| Catherine Gellein Scholarship Fund | - | - | 32,081 | 32,081 | - |
| Blue Water Shipmasters' Fund | - | - | 36,750 | 36,750 | - |
| Charles Myron Gossman Scholarship Fund | - | - | 54,397 | 54,397 | - |
| Pauline Groff Music Scholarship Endowment Fund | - | - | 29,281 | 29,281 | - |
| Christian B. and Agnes A. Haas Scholarship Fund | - | - | 115,723 | 115,723 | - |
| Jake Jahn Fund | - | - | 3,500 | 3,500 | - |
| Alexander and Celestine Lamere Fund | - | - | 64,981 | 64,981 | - |
| Little Brothers Little Sisters of St. Clair County Scholarship Endowment Fund | - | - | 141,269 | 141,269 | - |
| Lillian M. Perry Scholarship Fund | - | - | 54,105 | 54,105 | - |
| Marine City Scholarship Foundation Endowment Fund | - | - | 15,150 | 15,150 | 127,958 |
| River District Hospital Auxiliary McFern-Smeltzer Scholarship Endowment Fund | - | - | 102,124 | 102,124 | - |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND
DECEMBER 31, 2013**

| | Net Assets | | | | Agency Endowment |
|---|--------------|------------|---------------------------|-----------|---------------------|
| | Unrestricted | | Temporarily Restricted | | |
| | Board | | Donor | | |
| | Undesignated | Designated | Restricted | Total | |
| Scholarship Funds (cont'd): | | | | | |
| St. Clair Music Study Club Endowment Fund | \$ - | \$ - | \$ 80,310 | \$ 80,310 | \$ 29,409 |
| Memphis High School Alumni Association Fund | - | - | 40,453 | 40,453 | - |
| Barbara Ann Kessler-Saph Scholarship Memorial Fund | - | - | 52,448 | 52,448 | - |
| Randy Sugars Memorial Scholarship Fund | - | - | 11,188 | 11,188 | - |
| Foley, Sedwick, Stephenson Fund | - | - | - | - | - |
| Charles G. and Berneice M. Uligian Fund | - | - | 167,603 | 167,603 | - |
| Evonne Vanderheuvell Scholarship Fund | - | - | 1,100 | 1,100 | - |
| Douglas and Elda L. Webb Scholarship Fund | - | - | 173,689 | 173,689 | - |
| James Wilhelm Memorial Scholarship Fund | - | 254,603 | - | 254,603 | - |
| Bert D. and Rose E. Wright Memorial Scholarship Fund | - | - | 113,658 | 113,658 | - |
| John F. & Rose Marie Wismer Community Foundation Scholarship Fund | - | - | 942,822 | 942,822 | - |
| Robert and Marilyn Kovach Scholarship Fund | - | - | 14,024 | 14,024 | - |
| Mark Grace Memorial Scholarship Fund | - | - | 5,000 | 5,000 | - |
| Nyeste-Regling Scholarship Fund | - | - | 2,500 | 2,500 | - |
| St. Clair High School Scholarship Fund founded by the Trumble and Frank and Bula Carney Memorial Scholarship Funds | - | - | 65,895 | 65,895 | - |
| Port Huron Area School District Scholarship Fund founded by Cyril Smith and James T Kreger Memorial Scholarship Funds | - | - | 50,147 | 50,147 | - |
| Donor Designated Funds: | | | | | |
| Walter K. Brooks Memorial Fund | - | - | 1,985,494 | 1,985,494 | - |
| Back to School Events Fund | - | - | 47,400 | 47,400 | - |
| Helen David Fund for the Council on Aging | - | - | 414,430 | 414,430 | - |
| Marian Pollock Moore Fund | - | - | 135,167 | 135,167 | - |
| Tunnel Fund | - | - | - | - | - |
| Youth Home Fund | - | - | - | - | - |
| St. Clair County Chapter - American Red Cross Endowment Fund | - | - | 40,663 | 40,663 | - |
| St. Clair Rotary Centennial Park Fund | - | - | 45,853 | 45,853 | - |
| Mary B. Andreae Fund | - | - | 31,842 | 31,842 | - |
| River Walk Project Fund | - | - | 4,063 | 4,063 | - |
| Robert J. Goff Fund | - | - | - | - | - |
| Bob & Ann Tompert Endowment Fund | - | - | 4,910 | 4,910 | - |
| River Walk Endowment Fund (for BWLF) | - | - | 39,294 | 39,294 | - |
| Donor Advised Funds: | | | | | |
| James C. Acheson Fund II | - | - | 1,903,764 | 1,903,764 | - |
| Acheson Fund for Education | - | - | 645,147 | 645,147 | - |
| Bob Abdo Memorial Fund | - | - | 50,532 | 50,532 | - |
| Algonac Lions Club Fund | - | - | 495,181 | 495,181 | - |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND
DECEMBER 31, 2013**

| | Net Assets | | | | Agency Endowment |
|---|--------------|------------|---------------------------|------------|---------------------|
| | Unrestricted | | Temporarily Restricted | | |
| | Undesignated | Board | Donor Restricted | Total | |
| | | Designated | | | |
| Donor Advised Funds (cont'd): | | | | | |
| Janet E. & Lee C. Hanson Endowment Fund | \$ - | \$ - | \$ 103,708 | \$ 103,708 | \$ - |
| Angi Austin Fund | 9,342 | - | - | 9,342 | - |
| St. Clair Foundation Fund | 23,533 | - | - | 23,533 | - |
| H. & H. Whiting Foundation Fund | - | - | - | - | - |
| Lisa Harris Pink Ribbon of Hope Memorial Fund | 19,914 | - | - | 19,914 | - |
| Norman and Isabel Cosgrove Memorial Fund | - | - | 33,368 | 33,368 | - |
| The DeWald/Beckett Charitable Fund | - | - | 333,074 | 333,074 | - |
| The DeWald/Cook Charitable Fund | - | - | 245,044 | 245,044 | - |
| Joelle Marie Hajjar Fund | 12,063 | - | - | 12,063 | - |
| John W. & M. Louise Shier Family Fund | - | 126,146 | - | 126,146 | - |
| Wyatt Walker Friendship Fund | - | - | 70,911 | 70,911 | - |
| James L. "Jim" Little Fund | - | - | 33,754 | 33,754 | - |
| Niester Family Fund | - | - | 20,910 | 20,910 | - |
| Kusch Family Fund | - | - | 183,562 | 183,562 | - |
| Algonac Rotary Club Fund | - | - | - | - | - |
| Emery Family Fund | 450 | - | - | 450 | - |
| Fred and Lezlyne Moore Fund | 2,650 | - | - | 2,650 | - |
| Fred S. Moore Fund | 3,647 | - | - | 3,647 | - |
| Charles and E. Gail Kelly Fund | 5,100 | - | - | 5,100 | - |
| Helen Kramer Memorial Fund | - | - | - | - | - |
| Nasr Family Fund | 38,336 | - | - | 38,336 | - |
| Omega Fund | - | - | - | - | - |
| River District Fund | - | - | - | - | - |
| Sushma & Ramesh Reddy Family Fund | 80 | - | - | 80 | - |
| Chuck and Barbara Staiger Fund | - | - | - | - | - |
| Talmer Bank and Trust Fund | 3,000 | - | - | 3,000 | - |
| David Whipple Family Fund | - | - | - | - | - |
| Keith and Wendy Zick Fund | 2,001 | - | - | 2,001 | - |
| Norm and Joyce Beauchamp Fund | - | - | - | - | - |
| Bill and Lydia Schwarz Family Fund | 5,000 | - | - | 5,000 | - |
| Dave Lomasney Family Fund | - | - | - | - | - |
| Mirabelli Family Fund | - | - | - | - | - |
| Walker Family Fund | - | - | - | - | - |
| Organization Designated Funds: | | | | | |
| Algonac-Clay Township Historical Society Fund | - | - | 9,561 | 9,561 | 9,516 |
| Algonac Community Schools Education Enrichment Fund | - | - | 66,931 | 66,931 | 180,953 |
| Blue Water Council Boy Scout Endowment Fund | - | - | 7,406 | 7,406 | 76,175 |
| Blue Water Developmental Housing, Inc. Fund | - | - | - | - | 34,736 |
| Blue Water Hospice and Visiting Nurse Association | - | - | 12,604 | 12,604 | 40,158 |
| Council on Aging (serving St. Clair County) Fund | - | - | 5,827 | 5,827 | - |
| Disability Services Fund | - | - | 556 | 556 | 25,047 |
| Quota International Helen David Fund | - | - | - | - | 31,447 |
| United Way of St. Clair County Fund | - | - | 1,742 | 1,742 | 30,822 |
| Supporters of East China School District Fund | - | - | 143,644 | 143,644 | 39,262 |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND
DECEMBER 31, 2013**

| | Net Assets | | | | Agency Endowment |
|--|--------------|------------|---------------------------|------------|---------------------|
| | Unrestricted | | Temporarily Restricted | | |
| | Undesignated | Board | Donor Restricted | Total | |
| | | Designated | | | |
| Organization Designated Funds (cont'd): | | | | | |
| John R. Dolan Fund | \$ - | \$ - | \$ 697,139 | \$ 697,139 | \$ - |
| Habitat for Humanity "Power" Fund | - | - | 52 | 52 | 29,787 |
| Hunter Hospitality House Fund | - | - | - | - | 26,741 |
| KIDS in Distress Services Fund | - | - | 8,373 | 8,373 | - |
| St. Clair County Library Fund (incl. the Lawrence E. Owens Endowment) | - | - | 216,462 | 216,462 | - |
| Clayton A. and Florence B Lewis Memorial Book Fund | - | - | - | - | 32,955 |
| Marine City Historic District Restoration Committee Endowment Fund | - | - | 1,863 | 1,863 | 54,175 |
| McMorran Place Fund | - | - | 11,549 | 11,549 | 376,667 |
| Girl Scouts - Michigan Waterways Council Fund | - | - | 19,100 | 19,100 | 5,175 |
| Michigan Nature Association Fund | - | - | - | - | 1,203 |
| Peoples' Clinic, Helen David Fund | - | - | 436,252 | 436,252 | 16,689 |
| Port Huron Area School District Fund | - | - | 14,460 | 14,460 | 138,739 |
| Port Huron Hospital Foundation Endowment Fund | - | - | 4,656 | 4,656 | 16,224 |
| Safe Horizons Fund | - | - | 158,934 | 158,934 | 61,776 |
| Sanborn Gratiot Memorial Home Endowment Fund | - | - | 922 | 922 | 32,280 |
| St. Clair Public Library Capital Fund | - | - | 20,904 | 20,904 | 11,597 |
| SCORE Fund (St. Clair County Organized Recreation for Everyone) | - | - | 4,574 | 4,574 | 855 |
| St. John River District Hospital Fund | - | - | 9,092 | 9,092 | 19,161 |
| Friends of St. Mary's School (St. Clair) Fund | - | - | 68,737 | 68,737 | 363 |
| Thomas & Frances Treleaven Fund | - | - | 679,018 | 679,018 | - |
| Cardinal Mooney Catholic High School Fund | - | - | 203 | 203 | - |
| Field of Interest Funds: | | | | | |
| Algonac-Clay Community Fund | - | - | 206,140 | 206,140 | - |
| Charles and Margaret Anderson Foundation Endowment Fund | - | - | 1,858,796 | 1,858,796 | - |
| College Access Endowment | - | - | 149,322 | 149,322 | - |
| Frank V. Carney & Bula A. Carney Memorial Fund | - | - | 561,522 | 561,522 | - |
| Citizens for St. Clair Fund | - | - | 539,256 | 539,256 | - |
| Harry F. Lewis Fund | - | - | 158,941 | 158,941 | - |
| Rev. Rene L. Desmarais Fund | - | - | 109,219 | 109,219 | - |
| Port Huron Community Fund | - | - | 4,627 | 4,627 | 133,002 |
| Robert H. and Paula M. Cleland Community | - | - | 44,598 | 44,598 | - |
| Cottrellville Community Fund | - | - | 12,095 | 12,095 | - |
| Women's Initiative Fund | - | - | 754,671 | 754,671 | - |
| Emily Bigelow Emergency Services Fund | - | - | 78,330 | 78,330 | - |
| Studio 1219 Breast Cancer Fund | - | - | 2,775 | 2,775 | - |
| Women's Initiative Steering Committee Giving Circle Fund | 382 | - | - | 382 | - |

**THE COMMUNITY FOUNDATION OF ST. CLAIR COUNTY
AND SUPPORTING ORGANIZATIONS**

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND
DECEMBER 31, 2013**

| | Net Assets | | | | Agency Endowment |
|--|---------------------|---------------------|---------------------------|---------------------|---------------------|
| | Unrestricted | | Temporarily Restricted | | |
| | Undesignated | Board | Donor Restricted | Total | |
| | | Designated | | | |
| Field of Interest Funds (cont'd): | | | | | |
| Charles F. Moore Memorial Fund | \$ - | \$ - | \$ 140,576 | \$ 140,576 | \$ - |
| Smilegivers Giving Circle Fund | 235 | - | - | 235 | - |
| Mickey & Agnes Knowlton Fund | - | - | 48,498 | 48,498 | - |
| Eastern Michigan Christian Foundation Fund | - | - | 136,063 | 136,063 | - |
| Friday Food For Kids Fund - Algonac Elementary | - | - | 19,003 | 19,003 | - |
| Friday Food For Kids Fund - Belle River Elementary | - | - | 6,583 | 6,583 | - |
| Friday Food For Kids Fund - Cleveland Elementary | - | - | 7,821 | 7,821 | - |
| Friday Food For Kids Fund - Woodrow Wilson Elementary | - | - | 19,380 | 19,380 | - |
| Claude and Alexa Lawrence Fund | - | - | 151,584 | 151,584 | - |
| Maritime Fund | - | - | 39,019 | 39,019 | - |
| Marwood Manor Endowment Fund | - | - | 273,814 | 273,814 | - |
| Ernest T. & Barbara A. Oskin Fund | - | - | 1,272,684 | 1,272,684 | - |
| Native American Endowment Fund | - | - | 33,334 | 33,334 | - |
| St. Clair High School Class of 2000 Giving Back Fund | - | - | 29 | 29 | - |
| Access to Recreation Fund | - | - | 253,917 | 253,917 | - |
| F. William & Patricia Schwarz Fund | - | - | 148,525 | 148,525 | - |
| Thomas K. Smith Fund | - | - | 146,666 | 146,666 | - |
| Youth Advisory Council Fund | - | - | 1,474,531 | 1,474,531 | - |
| Healthy Youth, Healthy Seniors Fund | - | - | 163,591 | 163,591 | - |
| Alexa Lawrence Fund for Education | - | - | 83,529 | 83,529 | - |
| Marcia M. Haynes Endowment Fund | - | - | 6,889 | 6,889 | - |
| Community Capital Club (C3) Fund | - | - | 3,758 | 3,758 | - |
| Henry and Harriet Whiting Memorial Fund | - | - | 2,760,223 | 2,760,223 | - |
| DSLTL Fund | - | - | 917,959 | 917,959 | - |
| Mary Moore Fund | - | - | 1,027,912 | 1,027,912 | - |
| Fred and Lezlynne Moore Family Fund | - | - | 948,731 | 948,731 | - |
| Charitable Gift Annuity Fund: | | | | | |
| Raymond & Catherine Gellein Fund | - | - | 94,852 | 94,852 | - |
| Community Renaissance Fund | 191,034 | - | - | 191,034 | - |
| Blue Water Land Fund, Inc. | 3,833,235 | - | - | 3,833,235 | - |
| Total | \$ 5,352,083 | \$ 4,124,688 | \$36,384,537 | \$45,861,308 | \$ 1,582,872 |