

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

**CONSOLIDATED FINANCIAL STATEMENTS  
with Supplementary Information**

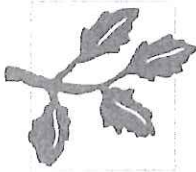
**FOR THE YEAR ENDED  
DECEMBER 31, 2014**



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

**TABLE OF CONTENTS  
DECEMBER 31, 2014**

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter to the Volunteers, Donors and Partners	I-1
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	1
<b>Basic Financial Statements</b>	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
<b>Supplementary Financial Information</b>	
Consolidating Statement of Financial Position	19
Consolidating Statement of Activities	20
Summary Schedule of Net Assets/Agency Endowments by Fund	21



community foundation

of St. Clair County

June 2015

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

We are pleased to present the attached consolidated financial statements for the year-ended December 31, 2014 for the Community Foundation of St. Clair County and its two controlled supporting organizations ---The Community Renaissance Fund and the Blue Water Land Fund, Inc. The year-ended 2014 included a few significant milestones in our history ---one marking the Foundation's 70<sup>th</sup> anniversary; another celebrating the grand opening of our Blue Water River Walk; and yet another in reaching a new consolidated net asset high of \$49.6 million, excluding agency funds of \$1.63 million.

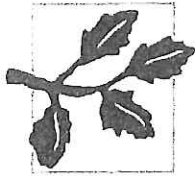
The core of the Foundation's vision statement is to enhance the spirit of philanthropy within our community and identify opportunities for collaboration, including resources of the donors and efforts of the 'doers', to make this community a better place to live, work and play. As can be seen on the attached consolidated financial statements, the Foundation received \$4.7 million in aggregate contributions, including government grants and excluding all agency-designated and pass-through (Match Day) gifts. This tremendous level of giving was made possible through the charitable vision of 1150 donations, 200 of those being from new donors to the Foundation and 584 repeat donors. In 2014, five additional endowment funds were established.

Our Give Where You Live initiative in 2014 is by far one of the greatest examples of that vision and spirit of philanthropy at work. Evidencing the overwhelming generosity of donors, their love of the greater Blue Water area and their belief in building vibrant communities, this community collectively raised \$752,574 on a single day – May 6<sup>th</sup> – a national day of giving - to support 78 participating non-profits in our communities and the programs and projects they provide.

The Community Foundation's Board and grant-making committees awarded \$1.675 million in grants, which was net of any refunds and excludes the FAS 136 (agency-liability) adjustment, and supporting organizations' elimination. Additionally, \$1.13 million was allocated in 2014 on a consolidated basis to Foundation programs and initiatives, many of which are described in this letter.

In 2014, we continued our focus on "People" & "Place". By investing in "People" and "Place", the Foundation will pursue tactics and initiatives which will help lead to a new, healthy and vibrant regional economy and ultimately, a wonderful place to "live, work and play". Under this philosophy, we will use discretionary funds to give preference to projects within one of these two priority areas of primary long-term focus areas: Community and Economic Development and Education. Through this cycle, we will continue to actively support efforts and donors' charitable goals within our two long-term secondary focus areas of: Basic Needs & Human Services, and Arts & Culture.

In 2014, not only did our region see the grand opening of Blue Water River Walk as referenced earlier and related trail and land improvements, it also saw the Foundation facilitate substantial



community foundation  
of St. Clair County

development of the St. Clair Plaza Courtyard and take a lead role in the St. Clair Inn assessment and efforts toward its re-opening given the integral nature of both to the prosperity of that community.

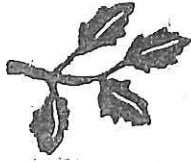
Additionally, the Foundation continued its work in 2014 with community leaders and partners to promote and implement regional Blue Meets Green efforts. One of the Foundation's new endowment funds, the Community Capital Club (C3), is building upon that entrepreneurial spirit in our community, and launched a 3-year pilot that will proactively lead the Foundation into the area of mission-based investing.

Great things are happening in other areas of the Foundation's strategic priorities too. Our work with county school districts, community partners and donors has continued to build and leverage resources supporting education including College Access, and KnowHow2Go. Our Blue Water Arts Committee oversees funding for music festivals and the arts through designated and field of interest funds benefiting organizations such as the International Symphony Orchestra, Port Huron Musicale, Port Huron Museum, and Studio 1219. Through agency-designated endowments and special events in 2014 like Back to School, 100 Women Who Care and 100 Men, and Give Where You Live, the Foundation is able to support basic needs and the non-profit organizations in our communities that service those needs.

As a community foundation, our charitable grant-making is outlined by a spending policy, which has a long-term prudent focus, and is structured to protect the health of Funds in perpetuity without an over-accumulation of gains yet acknowledge/address community needs even in times of economic struggles. Our spending policy is directly correlated to our investment portfolio, which is managed in accordance to a comprehensive investment policy and actively overseen by a knowledgeable and experienced Finance and Investment Committee and the services of an investment advisor. Our portfolio is structured for the long-term, with asset allocations set to diversify risk exposure, thereby minimizing the impact of market downturns and providing for as consistent grant funding as possible. As we often explain, our investment portfolio, by purposeful design, will not capture all of the market highs yet conversely will also not experience all of the market lows.

The Foundation's investments have provided historically good returns under this approach and in comparison with our peers of foundation, endowment and institutional investors with assets of \$20 - \$100 million, we have consistently performed well. In 2014, the return on our main investment pool was 6.44%, which placed us in the top 30% among our peers. More notable is our long-term performance in that we ranked between the 8<sup>th</sup> and 21<sup>st</sup> percentile with our 2-year, 3-year, 5-year, 7-year and 10-year returns.

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 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



community foundation  
of St. Clair County

our policies and governing documents available on our website ---  
[www.stclairfoundation.org](http://www.stclairfoundation.org)---along with audited financial statements and IRS  
Form 990s (also available upon request).

With regard to the following audited financial statements, Foundation management acknowledges and accepts 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.

The Community Foundation of St. Clair County with its two Type I supporting organizations - The Community Renaissance Fund and Blue Water Land Fund, Inc., is a large and complex non-profit corporation. With the Foundation's vision, experience, and leadership, our Board and Committee volunteers and staff together will continue to bring donors and doers together, forge partnerships, collaborations and the leveraging of resources to make our entire County a great place to live, work and play now and for years to come and we will take pride as we continue our long history and tradition of investing in our community by supporting and enriching the lives of our residents.

Respectively submitted,

Randy Maier  
President & CEO

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, 2014, 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. 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, 2014, 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, 2013 consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our reported dated June 18, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 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 21-25 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.

  
Certified Public Accountants

June 11, 2015

## **BASIC FINANCIAL STATEMENTS**



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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,300,752	\$ 1,843,688
Receivables -		
Pledges	39,945	11,050
Interest and other	14,718	5,119
Notes	-	1,329
Prepaid expenses	3,050	8,506
Total Current Assets	1,358,465	1,869,692
<b>Non-Current Assets:</b>		
Pledges, net of discount of \$5,275 and \$277, respectively	31,207	1,723
Notes receivable, net of discount of \$0 and \$530, respectively	68,585	74,055
Total Non-Current Assets	99,792	75,778
<b>Property and Equipment:</b>		
Land, land improvements, building, and equipment, net of accumulated depreciation of \$181,742 and \$364,773, respectively	3,885,661	3,908,240
<b>Other Assets:</b>		
Cash surrender value of contributed life insurance	163,144	159,510
Certificates of deposit	209,000	303,918
Investments	45,720,475	41,378,148
Land held for sale	79,227	-
Investment - Escrow deposit	32,233	-
Total Other Assets	46,204,079	41,841,576
Total Assets	\$ 51,547,997	\$ 47,695,286
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 19,820	\$ 76,139
Grants payable	13,000	21,446
Accrued expenses	21,235	21,993
Deferred revenue	-	250
Charitable gift annuity payable	67,337	17,594
Escrow deposit	32,233	-
Total Current Liabilities	153,625	137,422
<b>Noncurrent Liabilities:</b>		
Note payable	68,585	68,585
Deferred compensation contract	60,456	45,099
Funds held as agency endowments	1,630,993	1,582,872
Total Noncurrent Liabilities	1,760,034	1,696,556
Total Liabilities	1,913,659	1,833,978
<b>Net Assets:</b>		
Temporarily restricted	40,197,641	36,384,537
Unrestricted	9,436,697	9,476,771
Total Net Assets	49,634,338	45,861,308
Total Liabilities and Net Assets	\$ 51,547,997	\$ 47,695,286

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, 2014  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013**

	Unrestricted	Temporarily Restricted	Total	
			2014	2013
<b>Revenues, gains and other support:</b>				
Public Support -				
Contributions				
Cash	\$ 678,639	\$ 1,103,110	\$ 1,781,749	\$ 2,640,805
Non-cash	321,634	2,381,322	2,702,956	3,845,455
Total Contributions	1,000,273	3,484,432	4,484,705	6,486,260
Revenue and Gains -				
Government grants	248,702	-	248,702	1,704,464
Investment income, net of expense	241,283	2,281,664	2,522,947	5,969,835
Increase in cash surrender value of life insurance	3,634	-	3,634	3,734
Fund management fees	16,800	-	16,800	15,360
Other	34,408	-	34,408	6,635
	544,827	2,281,664	2,826,491	7,700,028
Net Assets Released from Restrictions:				
Expenses appropriated by the Board	1,952,992	( 1,952,992)	-	-
Total Revenues, Gains, and Other Support	3,498,092	3,813,104	7,311,196	14,186,288
<b>Expenses:</b>				
Program expenses:				
Youth Advisory Council	1,712	-	1,712	1,895
Grants	1,674,871	-	1,674,871	1,048,696
Community Initiatives	570,438	-	570,438	113,405
Other Program Expenses	592,112	-	592,112	344,871
Management and general	415,731	-	415,731	409,863
Fundraising expenses	283,302	-	283,302	227,481
	3,538,166	-	3,538,166	2,146,211
Total Expenses	3,538,166	-	3,538,166	2,146,211
Change in Net Assets	( 40,074)	3,813,104	3,773,030	12,040,077
Net Assets at beginning of year, restated	9,476,771	36,384,537	45,861,308	33,821,231
Net Assets at end of year	\$ 9,436,697	\$40,197,641	\$ 49,634,338	\$ 45,861,308

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, 2014  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Services			Total
	Community Foundation	Community Renaissance	Blue Water Land Fund	
Salaries	\$ 204,358	\$ -	\$ -	\$ 204,358
Employee Benefits/Payroll Taxes	59,292	-	-	59,292
Professional Services/Consultancies	588	-	80,612	81,200
Legal Services	-	-	-	-
Occupancy	20,438	19,230	14,000	53,668
Utilities	747	1,674	-	2,421
Equipment Rental and Maintenance	3,782	390	-	4,172
Telephone	1,440	173	-	1,613
Postage	1,365	-	20	1,385
Community Relations and Awareness	25,888	4,601	18,193	48,682
Donor Cultivation/Fundraising	5,269	-	-	5,269
Foundation Committee	2,455	-	-	2,455
Dues, Memberships, and Subscriptions	2,968	-	-	2,968
Insurance	4,150	2,756	14,135	21,041
Office Supplies	1,925	33	-	1,958
Stationary/Printing	600	-	-	600
Computer Equipment and Maintenance	9,277	-	-	9,277
Travel and Related Expenses	5,361	-	3	5,364
Other	2,473	11,463	20	13,956
Depreciation	5,574	19,040	47,819	72,433
	<u>357,950</u>	<u>59,360</u>	<u>174,802</u>	<u>592,112</u>
Youth Advisory Council	1,712	-	-	1,712
Grants	1,120,369	8,000	546,502	1,674,871
Community Initiatives	-	59,337	511,101	570,438
	<u>-</u>	<u>59,337</u>	<u>511,101</u>	<u>570,438</u>
Total Expenses	<u>\$ 1,480,031</u>	<u>\$ 126,697</u>	<u>\$ 1,232,405</u>	<u>\$ 2,839,133</u>

See accompanying notes to consolidated financial statements.

Supporting Services		Total	
Management and General	Fundraising	2014	2013
\$ 234,782	\$ 108,806	\$ 547,946	\$ 496,039
78,670	43,951	181,913	176,832
25,000	-	106,200	26,662
9,334	-	9,334	-
23,691	11,841	89,200	35,769
866	433	3,720	6,966
4,385	2,192	10,749	8,556
1,669	834	4,116	5,116
1,582	791	3,758	3,608
-	-	48,682	13,196
-	13,750	19,019	15,031
-	-	2,455	1,439
3,441	1,720	8,129	6,189
4,810	2,402	28,253	30,188
2,232	1,116	5,306	3,237
695	348	1,643	2,585
10,754	5,375	25,406	19,669
6,214	3,106	14,684	9,413
1,145	83,408	98,509	78,019
6,461	3,229	82,123	43,701
415,731	283,302	1,291,145	982,215
-	-	1,712	1,895
-	-	1,674,871	1,048,696
-	-	570,438	113,405
<u>\$ 415,731</u>	<u>\$ 283,302</u>	<u>\$ 3,538,166</u>	<u>\$ 2,146,211</u>

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 3,773,030	\$ 12,040,077
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	82,123	43,701
Increase in cash surrender value of contributed life insurance	( 3,634)	( 3,734)
Increase (decrease) in discount of pledges and notes	4,468	( 4,043)
Non-cash contributions	( 2,702,956)	( 3,845,455)
Realized and unrealized gain on investment securities	( 1,917,945)	( 5,739,561)
Non-cash initiatives	546,503	-
Loss on disposal of assets	33,932	-
Increase / decrease in operating assets and liabilities -		
Contributions receivable	( 63,377)	60,598
Note receivables	7,329	33,331
Other receivables	( 9,599)	( 4,783)
Prepaid expenses	5,456	( 8,506)
Accounts payable	( 56,319)	38,208
Accrued expenses	( 758)	( 13,704)
Accrued employee benefits	15,357	10,277
Deferred revenues	( 250)	( 136,853)
Grants payable	( 8,446)	( 71,005)
Funds held as agency endowments	48,121	218,365
Charitable gift annuity payable	49,743	( 22,654)
Net Cash Provided by (Used in) Operating Activities	( 197,222)	2,594,259
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sale of investments	14,483,055	12,697,745
Purchase of investments	( 14,526,115)	( 14,166,860)
Sale (purchase) of certificates of deposits	94,918	( 203,881)
Purchase of property and equipment	( 397,572)	( 1,886,281)
Net Cash Used in Investing Activities	( 345,714)	( 3,559,277)
Net decrease in cash and cash equivalents	( 542,936)	( 965,018)
Cash and cash equivalents at beginning of year	1,843,688	2,808,706
Cash and cash equivalents at end of year	\$ 1,300,752	\$ 1,843,688
<b>Noncash Investing activities:</b>		
Receipt of donated property and equipment	\$ 321,634	\$ 196,609
Donated investment securities	2,381,322	3,648,846
	\$ 2,702,956	\$ 3,845,455

See accompanying notes to consolidated financial statements.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**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 celebrated its 70<sup>th</sup> 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, 2014**

**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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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

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. However, certain investment activity of the Foundation is subject to federal income tax, which is immaterial and thus has been expensed when paid. Therefore, no provision of income taxes has been made in these financial statements.

The Foundation's forms 990 and 990-T for years ending 2011, 2012, 2013 and 2014 are subject to examination by the IRS, generally for 3 years after they were filed.

**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, 2014**

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

**SUBSEQUENT EVENTS** - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 11, 2015, 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 \$1,509,752 at December 31, 2014 are made up of demand deposit accounts, certificates of deposit and \$50 petty cash funds. The bank balance at December 31, 2014 totaled \$1,606,148, which was insured by depository insurance.

**INVESTMENTS -**

At December 31, investments within the operating (Program and Services Fund) and endowment pools of the Foundation consist of the following:

	<u>2014</u>	<u>2013</u>
Money Market Funds	\$ 917,496	\$ 823,467
Common Stock	3,426,065	1,761,220
Common Commingled Trust Fund - Rothschild small-cap trust	3,338,477	5,099,744
Exchange Traded & Mutual Funds	32,869,916	30,477,965
U.S. Debt Securities - mortgage-backed securities	519	645
Corporate debt securities	35	29
Alternative investments - Hedge Funds	-	79,625
Private Real Estate Investments	<u>5,200,200</u>	<u>3,135,453</u>
	<u>\$ 45,752,708</u>	<u>\$ 41,378,148</u>

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

	<u>2014</u>	<u>2013</u>
Interest and Dividends	\$ 820,233	\$ 598,907
Gain on Sale of Investments	2,976,539	2,045,596
Unrealized Gain (Loss) on Investments	( 1,121,761)	3,471,738
Investment Management Fees	( 152,064)	( 146,406)
Total	<u>\$ 2,522,947</u>	<u>\$ 5,969,835</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 3 - PROPERTY AND EQUIPMENT:**

The following is a summary of Property and Equipment at December 31, 2014:

Land	\$ 2,662,430
Land improvements	802,520
Buildings and improvements	456,543
Equipment	117,159
Construction in progress	<u>28,751</u>
	4,067,403
Less – accumulated depreciation	<u>( 181,742)</u>
	<u>\$ 3,885,661</u>

Depreciation expense for the year was \$82,123.

**NOTE 4 - PLEDGES RECEIVABLE:**

The Foundation pledges receivable at December 31, 2014 totaled \$76,427 with \$39,945 due in less than one (1) year with the remainder due within five (5) years. The amount of \$31,207 is considered the discounted value (5%) of contributions receivable in excess of one year at December 31, 2014.

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, 2014.

**NOTE 5 - NOTES RECEIVABLE:**

**James C. Acheson 85 Trust** - This asset and liability relate to a property acquired by Blue Water Community Action, 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, 2014 including the current portion of \$0 is:

\$ 68,585

**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, 2014 amounted to \$86,451.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 6 - GRANTS PAYABLE:**

At December 31, 2014, the Foundation's grants payable was \$13,000 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 \$543,040. 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, 2014 is \$163,144.

**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, 2014, the Foundation contributed \$24,788.

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, 2014, the CEO/President has "unvested" deferred compensation rights of \$60,456.

**NOTE 9 - FUND MANAGEMENT FEES:**

The Foundation assesses a monthly management fee on the individual funds maintained, which supports Foundation operations. Fund management 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 fund management fees assessed for the year ended December 31, 2014 were \$530,135, which represents revenue to the Foundation's Program and Services 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 fund management fee revenue associated with funds held as agency endowments, as further explained in Note 13.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 10 - 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, 2014, was \$94,763 and the present value of the estimated future payments was \$67,337 at December 31, 2014, calculated using a discount rate of 4% and applicable mortality tables. The difference between the assets and estimated future payments of \$27,426 represents the net assets.

**NOTE 11 - 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 11 - FAIR VALUE MEASUREMENTS - (cont'd):**

The following table presents the Community Foundation's fair value hierarchy for the assets and liabilities measured at fair value as of December 31, 2014:

**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>
<b>Assets</b>				
Investments -				
Money Market Funds	\$ 917,496	\$ 917,496	\$ -	\$ -
Common Stock	3,426,065	3,426,065	-	-
Common Commingled Trust Fund-				
Rothschild small-cap trust	3,338,477	-	3,338,477	-
Exchange Traded & Mutual Funds	32,869,916	32,869,916	-	-
U.S. Debt Securities - mortgage				
backed securities	519	-	519	-
Corporate Debt Securities	35	-	35	-
Alternative Investments -				
Private Real Estate Investments	<u>5,200,200</u>	<u>-</u>	<u>-</u>	<u>5,200,200</u>
Total Assets	<u>\$ 45,752,708</u>	<u>\$ 37,213,477</u>	<u>\$ 3,339,031</u>	<u>\$ 5,200,200</u>
<b>Liabilities</b>				
Charitable Gift Annuity Payable	\$ 67,337	\$ 67,337	\$ -	\$ -
Funds held as Agency Endowments	<u>1,630,993*</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,698,330</u>	<u>\$ 67,337</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 the following:

    Money markets, mutual funds, and common stocks - are based on observable market prices

    Charitable gift annuity - is based on a specified payment schedule and discount rate.

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:

    Alternative Investments - Private Real Estate Investments - are based on net asset value provided by the administrators of each underlying partnership or limited liability company.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 11 - 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>
Commingled Trust	\$ 3,338,477	\$ -	End of each month	10 days
Alternative Investments	5,200,200	2,004,514	Varies*	Varies*

\*Redemption frequency and notice periods of each investment vary from the end of each quarter to not applicable through the commitment period.

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 January 1, 2014	\$ 3,215,078
Purchases	1,718,054
Realized and unrealized gain, net of fees	257,790
Sales	( 904,527)
Ending balance December 31, 2014	<u>\$ 4,286,395</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.

**NOTE 12 - 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 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 COMMUNITY FOUNDATION OF ST. CLAIR COUNTY  
AND SUPPORTING ORGANIZATIONS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 12 - DONOR RESTRICTED AND BOARD DESIGNATED ENDOWMENTS - (cont'd):**

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, 2014	\$ 4,124,688	\$ 36,384,537
Contributions/grants	437,173	3,484,432
Net appreciation	169,674	1,684,005
Investment income	66,168	597,659
Other income	530	-
Expenses appropriated by the Board	( 642,931)	( 1,952,992)
Balance at December 31, 2014	\$ 4,155,302	\$ 40,197,641

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 12 - DONOR RESTRICTED AND BOARD DESIGNATED ENDOWMENTS - (cont'd):**

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 30<sup>th</sup> 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 13 - FUNDS HELD AS AGENCY ENDOWMENTS:**

At December 31, 2014, the Foundation was the owner of 32 Agency Endowment Funds with a combined value of \$1,630,993. 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, 2014	\$ 1,582,872
Agency gifts	20,137
Interest and dividends	28,801
Realized gains on investments	119,833
Unrealized losses on investments	( 56,666)
Grants	( 42,427)
Fund management fees	( 16,800)
Investment management fees	( 4,055)
Other fees	( 702)
 Agency Endowment Balances at December 31, 2014	 <u>\$ 1,630,993</u>



**SUPPLEMENTARY FINANCIAL INFORMATION**

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014**

	<u>Community Foundation</u>	<u>Community Renaissance</u>	<u>Blue Water Land Fund</u>	<u>Consolidated Adjustments</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,128,590	\$ 58,298	\$ 113,864	\$ -	\$ 1,300,752
Certificates of deposit	209,000	-	-	-	209,000
Investments	45,720,475	-	-	-	45,720,475
Pledge receivable, net of discount of \$5,275	71,152	-	-	-	71,152
Note receivable	-	68,585	-	-	68,585
Interest and other receivables	10,543	4,412	1,000	( 1,237)	14,718
Inter-company receivable	88,174	-	-	( 88,174)	-
Prepaid expense	2,294	-	756	-	3,050
Land, land improvements, building, and equipment, net of accumulated depreciation of \$66,727, \$62,187, and \$52,828	77,143	394,356	3,414,162	-	3,885,661
Land held for sale	-	-	79,227	-	79,227
Cash surrender value of contributed life insurance	163,144	-	-	-	163,144
Restricted investment - escrow	-	-	32,233	-	32,233
<b>Total Assets</b>	<b><u>\$ 47,470,515</u></b>	<b><u>\$ 525,651</u></b>	<b><u>\$ 3,641,242</u></b>	<b><u>\$( 89,411)</u></b>	<b><u>\$51,547,997</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 11,329	\$ 4,353	\$ 4,375	\$( 237)	\$ 19,820
Accrued expenses	20,584	651	-	-	21,235
Grants payable	14,000	-	-	( 1,000)	13,000
Inter-company payable	-	8,948	79,226	( 88,174)	-
Charitable gift annuity payable	67,337	-	-	-	67,337
Note payable	-	68,585	-	-	68,585
Deferred compensation contract	60,456	-	-	-	60,456
Funds held as agency endowments	1,630,993	-	-	-	1,630,993
Escrow deposit	-	-	32,233	-	32,233
<b>Total Liabilities</b>	<b><u>1,804,699</u></b>	<b><u>82,537</u></b>	<b><u>115,834</u></b>	<b><u>( 89,411)</u></b>	<b><u>1,913,659</u></b>
<b>Net Assets:</b>					
Temporarily restricted	40,197,641	-	-	-	40,197,641
Unrestricted	5,468,175	443,114	3,525,408	-	9,436,697
<b>Total Net Assets</b>	<b><u>45,665,816</u></b>	<b><u>443,114</u></b>	<b><u>3,525,408</u></b>	<b><u>-</u></b>	<b><u>49,634,338</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 47,470,515</u></b>	<b><u>\$ 525,651</u></b>	<b><u>\$ 3,641,242</u></b>	<b><u>\$( 89,411)</u></b>	<b><u>\$ 51,547,997</u></b>

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

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Community Foundation</u>	<u>Community Renaissance</u>	<u>Blue Water Land Fund</u>	<u>Consolidated Adjustments</u>	<u>Total</u>
<b>Revenue, gains and other support:</b>					
Public Support -					
Contributions					
Cash	\$ 1,729,597	\$ 117,100	\$ 896,228	\$( 961,176)	\$ 1,781,749
Non-cash	2,389,639	286,333	32,301	( 5,317)	2,702,956
Total Contributions	<u>4,119,236</u>	<u>403,433</u>	<u>928,529</u>	<u>( 966,493)</u>	<u>4,484,705</u>
Revenue and Gains -					
Government grants	248,702	-	-	-	248,702
Investment income net of expense	2,522,615	35	297	-	2,522,947
Increase in cash surrender value of life insurance	3,634	-	-	-	3,634
Fund management fees	16,800	-	-	-	16,800
Other	34,373	-	35	-	34,408
	<u>2,826,124</u>	<u>35</u>	<u>332</u>	<u>-</u>	<u>2,826,491</u>
Total Revenue, Gains, and Other Support	<u>6,945,360</u>	<u>403,468</u>	<u>928,861</u>	<u>( 966,493)</u>	<u>7,311,196</u>
<b>Expenses:</b>					
Program expenses:					
Youth Advisory Council	1,712	-	-	-	1,712
Grants	2,072,597	22,265	546,502	( 966,493)	1,674,871
Community Initiatives	-	59,337	511,101	-	570,438
Other Program Expenses	357,950	59,360	174,802	-	592,112
Management and general	401,305	10,426	4,000	-	415,731
Fundraising expenses	283,019	-	283	-	283,302
	<u>3,116,583</u>	<u>151,388</u>	<u>1,236,688</u>	<u>( 966,493)</u>	<u>3,538,166</u>
Total Expenses	<u>3,116,583</u>	<u>151,388</u>	<u>1,236,688</u>	<u>( 966,493)</u>	<u>3,538,166</u>
Change in Net Assets	3,828,777	252,080	( 307,827)	-	3,773,030
Net Assets at beginning of year	<u>41,837,039</u>	<u>191,034</u>	<u>3,833,235</u>	<u>-</u>	<u>45,861,308</u>
Net Assets at end of year	<u>\$ 45,665,816</u>	<u>\$ 443,114</u>	<u>\$ 3,525,408</u>	<u>\$ -</u>	<u>\$ 49,634,338</u>

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

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND  
DECEMBER 31, 2014**

	Net Assets				Agency Endowment
	Unrestricted		Temporarily Restricted		
	Undesignated	Board	Donor		
		Designated	Restricted		
<b>General Charitable Funds:</b>					
Program and Services (Operating) Fund	\$ 1,215,719	\$ -	\$ -	\$ 1,215,719	\$ -
Community Investment Fund	-	2,188,201	-	2,188,201	-
Acheson Community Foundation Fund	-	-	3,531,648	3,531,648	-
James C. Acheson Fund	-	-	1,454,278	1,454,278	-
Emerson G. and Lucilda A. Brown Fund	-	-	168,746	168,746	-
Earl H. Donaldson Endowment Fund	-	33,830	-	33,830	-
Donald W. and Alice I. Giese Endowment Fund	-	-	141,332	141,332	-
Margaret C. Lutz Endowment	-	167,097	-	167,097	-
John Shier Fund	-	-	34,679	34,679	-
Burman J. Misenar Endowment Fund	-	-	157,870	157,870	-
Florence C. Stephen Fund	-	156,434	-	156,434	-
Virginia E. Farmer Endowment Fund	-	-	68,607	68,607	-
Francis P. Willson Fund	-	1,224,527	-	1,224,527	-
Wirtz/Ogden Fund	-	-	153,800	153,800	-
John and Rose Marie Wismer Fund	-	-	924,181	924,181	-
Russell A. "Tim" Sheldon Endowment	-	-	39,405	39,405	-
Turcotte/Craig Fund	-	-	-	-	-
<b>Scholarship Funds:</b>					
Alice W. Moore Memorial Scholarship Fund	-	-	136,357	136,357	-
Howard A. Acheson Memorial Fund	-	-	1,131,996	1,131,996	-
Father Bartone Fund	-	-	837,523	837,523	-
Beth Linsheid Duff Scholarship Fund	-	-	123,227	123,227	-
Joseph Caimi Scholarship Fund	-	-	48,467	48,467	-
Jack S. Campbell Memorial Fund	-	-	132,162	132,162	-
Darin Conrad Memorial Scholarship Fund	-	-	45,568	45,568	-
Fuller Hansen Educational Trust Fund	-	-	894,796	894,796	-
Catherine Gellein Scholarship Fund	-	-	32,466	32,466	-
Blue Water Shipmasters' Fund	-	-	38,334	38,334	-
Charles Myron Gossman Scholarship Fund	-	-	59,875	59,875	-
Pauline Groff Music Scholarship Endowment Fund	-	-	29,545	29,545	-
Christian B. and Agnes A. Haas Scholarship Fund	-	-	204,183	204,183	-
Jake Jahn Fund	-	-	4,008	4,008	-
Alexander and Celestine Lamere Fund	-	-	65,455	65,455	-
Little Brothers Little Sisters of St. Clair County Scholarship Endowment Fund	-	-	143,369	143,369	-
Lillian M. Perry Scholarship Fund	-	-	54,941	54,941	-
Marine City Scholarship Foundation Endowment Fund	-	-	15,538	15,538	129,815
River District Hospital Auxiliary McFern-Smeltzer Scholarship Endowment Fund	-	-	104,530	104,530	-

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

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND  
DECEMBER 31, 2014**

	Net Assets				Agency Endowment
	Unrestricted		Temporarily Restricted		
	Undesignated	Board Designated	Donor Restricted	Total	
Scholarship Funds (cont'd):					
St. Clair Music Study Club Endowment Fund	\$ -	\$ -	\$ 133,274	\$ 133,274	\$ 29,891
Memphis High School Alumni Association Fund	-	-	41,609	41,609	-
Barbara Ann Kessler-Saph Scholarship Memorial Fund	-	-	53,213	53,213	-
Randy Sugars Memorial Scholarship Fund	-	-	12,505	12,505	-
Foley, Sedwick, Stephenson Fund	-	-	-	-	-
Charles G. and Berneice M. Uligian Fund	-	-	170,042	170,042	-
Evonne Vanderheovel Scholarship Fund	-	-	1,600	1,600	-
Douglas and Elda L. Webb Scholarship Fund	-	-	175,301	175,301	-
James Wilhelm Memorial Scholarship Fund	-	257,221	-	257,221	-
Bert D. and Rose E. Wright Memorial Scholarship Fund	-	-	116,437	116,437	-
John F. & Rose Marie Wismer Community Foundation Scholarship Fund	-	-	963,679	963,679	-
Robert and Marilyn Kovach Scholarship Fund	-	-	14,848	14,848	-
Mark Grace Memorial Scholarship Fund	-	-	5,000	5,000	-
Nyeste-Regling Scholarship Fund	-	-	2,600	2,600	-
St. Clair High School Scholarship Fund founded by the Trumble and Frank and Bula Carney Memorial Scholarship Funds	-	-	66,502	66,502	-
Port Huron Area School District Scholarship Fund founded by Cyril Smith and James T Kreger Memorial Scholarship Funds	-	-	50,704	50,704	-
The Noon Optimist Club of Port Huron	-	-	-	-	-
Donor Designated Funds:					
Walter K. Brooks Memorial Fund	-	-	2,015,125	2,015,125	-
Back to School Events Fund	-	-	35,334	35,334	-
Helen David Fund for the Council on Aging	-	-	421,794	421,794	-
Marian Pollock Moore Fund	-	-	137,311	137,311	-
Tunnel Fund	-	-	5,147	5,147	-
Youth Home Fund	-	-	-	-	-
St. Clair County Chapter - American Red Cross Endowment Fund	-	-	43,126	43,126	-
St. Clair Rotary Centennial Park Fund	-	-	47,203	47,203	-
B.D.G. for St. Clair Little League	-	-	14,697	14,697	-
Mary B. Andreae Fund	-	-	32,335	32,335	-
River Walk Project Fund	-	-	18,548	18,548	-
Robert J. Goff Fund	-	-	-	-	-
Bob & Ann Tompert Endowment Fund	-	-	-	-	-
River Walk Endowment Fund (for BWLF)	-	-	88,740	88,740	-
Donor Advised Funds:					
James C. Acheson Fund II	-	-	1,949,259	1,949,259	-

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

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND  
DECEMBER 31, 2014**

	Net Assets				Agency Endowment
	Unrestricted		Temporarily Restricted		
	Undesignated	Board	Donor		
		Designated	Restricted		
				Total	
Donor Advised Funds (cont'd):					
Janet E. & Lee C. Hanson Endowment Fund	\$ -	\$ -	\$ 107,620	\$ 107,620	\$ -
Acheson Fund for Education	-	-	649,647	649,647	-
Bob Abdo Memorial Fund	-	-	51,581	51,581	-
Algonac Lions Club Fund	-	-	481,068	481,068	-
Angi Austin Fund	9,224	-	-	9,224	-
St. Clair Foundation Fund	1,609	-	-	1,609	-
H. & H. Whiting Foundation Fund	-	-	-	-	-
Lisa Harris Pink Ribbon of Hope Memorial Fund	19,987	-	-	19,987	-
Norman and Isabel Cosgrove Memorial Fund	-	-	33,079	33,079	-
The DeWald/Beckett Charitable Fund	-	-	350,908	350,908	-
The DeWald/Cook Charitable Fund	-	-	258,165	258,165	-
Joelle Marie Hajjar Fund	11,905	-	-	11,905	-
John W. & M. Louise Shier Family Fund	-	127,992	-	127,992	-
Wyatt Walker Friendship Fund	-	-	73,218	73,218	-
James L. "Jim" Little Fund	-	-	35,209	35,209	-
Niester Family Fund	-	-	26,092	26,092	-
Kusch Family Fund	-	-	175,997	175,997	-
Thomas & Nancy Hunter Family Fund	-	-	118,458	118,458	-
Taking a Shot at Breast Cancer Fund	4,350	-	-	4,350	-
Karen Ann Borwick Memorial Fund	3,250	-	-	3,250	-
Algonac Rotary Club Fund	-	-	-	-	-
Emery Family Fund	450	-	-	450	-
Fred and Lezlyne Moore Fund	-	-	-	-	-
Fred S. Moore Fund	-	-	-	-	-
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	2,000	-	-	2,000	-
David Whipple Family Fund	-	-	-	-	-
Keith and Wendy Zick Fund	501	-	-	501	-
Norm and Joyce Beauchamp Fund	-	-	-	-	-
Fletcher Family Fund	-	-	-	-	-
Bill and Lydia Schwarz Family Fund	-	-	-	-	-
Dave Lomasney Family Fund	-	-	-	-	-
Mirabelli Family Fund	-	-	-	-	-
Walker Family Fund	-	-	-	-	-
Organization Designated Funds:					
Algonac-Clay Township Historical Society Fund	-	-	10,080	10,080	9,918
Algonac Community Schools Education Enrichment Fund	-	-	72,683	72,683	184,228
Blue Water Council Boy Scout Endowment Fund	-	-	7,261	7,261	74,713

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

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND  
DECEMBER 31, 2014**

	Net Assets				Agency Endowment
	Unrestricted		Temporarily Restricted		
	Undesignated	Board	Donor		
		Designated	Restricted		
			Total		
Organization Designated Funds (cont'd):					
John R. Dolan Fund	\$ -	\$ -	\$ 706,148	\$ 706,148	\$ -
Blue Water Developmental Housing, Inc. Fund	-	-	-	-	36,414
Blue Water Hospice and Visiting Nurse Association	-	-	13,338	13,338	42,015
Council on Aging (serving St. Clair County) Fund	-	-	6,108	6,108	-
Disability Services Fund	-	-	558	558	25,103
Quota International Helen David Fund	-	-	-	-	32,966
United Way of St. Clair County Fund	-	-	1,770	1,770	31,321
Supporters of East China School District Fund	-	-	152,257	152,257	41,086
Habitat for Humanity "Power" Fund	-	-	52	52	31,229
Hunter Hospitality House Fund	-	-	-	-	34,406
KIDS in Distress Services Fund	-	-	21,848	21,848	-
St. Clair County Library Fund (incl. the Lawrence E. Owens Endowment)	-	-	226,204	226,204	-
Clayton A. and Florence B Lewis Memorial Book Fund	-	-	-	-	34,547
Marine City Historic District Restoration Committee Endowment Fund	-	-	1,900	1,900	55,169
McMorran Place Fund	-	-	13,686	13,686	394,850
Girl Scouts - Michigan Waterways Council Fund	-	-	19,830	19,830	5,416
Michigan Nature Association Fund	-	-	-	-	1,261
Peoples' Clinic, Helen David Fund	-	-	457,734	457,734	17,311
Port Huron Area School District Fund	-	-	43,620	43,620	126,527
Port Huron Hospital Foundation Endowment Fund	-	-	4,903	4,903	16,985
Safe Horizons Fund	-	-	161,617	161,617	62,609
Sanborn Gratiot Memorial Home Endowment Fund	-	-	937	937	32,762
St. Clair Public Library Capital Fund	-	-	21,939	21,939	12,157
SCORE Fund (St. Clair County Organized Recreation for Everyone)	-	-	13,710	13,710	849
St. John River District Hospital Fund	-	-	9,304	9,304	19,511
Friends of St. Mary's School (St. Clair) Fund	-	-	69,187	69,187	364
Thomas & Frances Treleaven Fund	-	-	688,668	688,668	-
Cardinal Mooney Catholic High School Fund	-	-	233	233	12,800
Field of Interest Funds:					
Algonac-Clay Community Fund	-	-	220,899	220,899	-
Charles and Margaret Anderson Foundation Endowment Fund	-	-	1,879,456	1,879,456	-
College Access Endowment	-	-	148,891	148,891	-
Frank V. Carney & Bula A. Carney Memorial Fund	-	-	569,151	569,151	-
Citizens for St. Clair Fund	-	-	550,353	550,353	-
Harry F. Lewis Fund	-	-	161,199	161,199	-
Rev. Rene L. Desmarais Fund	-	-	111,802	111,802	-
Port Huron Community Fund	-	-	6,249	6,249	134,770
Robert H. and Paula M. Cleland Community	-	-	45,205	45,205	-

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

**SUMMARY SCHEDULE OF NET ASSETS/AGENCY ENDOWMENTS BY FUND  
DECEMBER 31, 2014**

	Net Assets				Agency Endowment
	Unrestricted		Temporarily Restricted		
	Undesignated	Board Designated	Donor Restricted	Total	
Field of Interest Funds (cont'd):					
Charles F. Moore Memorial Fund	\$ -	\$ -	\$ 2,821,129	\$ 2,821,129	\$ -
Cottrellville Community Fund	-	-	12,616	12,616	-
Women's Initiative Fund	-	-	777,469	777,469	-
Emily Bigelow Emergency Services Fund	-	-	81,706	81,706	-
Studio 1219 Breast Cancer Fund	-	-	4,724	4,724	-
Women's Initiative Steering Committee					
Giving Circle Fund	127	-	-	127	-
Smilegivers Giving Circle Fund	235	-	-	235	-
Mickey & Agnes Knowlton Fund	-	-	50,335	50,335	-
Eastern Michigan Christian Foundation Fund	-	-	142,938	142,938	-
Friday Food For Kids Fund - Algonac Elementary	-	-	13,503	13,503	-
Friday Food For Kids Fund - Belle					
River Elementary	-	-	9,927	9,927	-
Friday Food For Kids Fund -					
Cleveland Elementary	-	-	9,635	9,635	-
Friday Food For Kids Fund - Woodrow					
Wilson Elementary	-	-	15,375	15,375	-
Claude and Alexa Lawrence Fund	-	-	157,109	157,109	-
Maritime Fund	-	-	41,002	41,002	-
Marwood Manor Endowment Fund	-	-	277,377	277,377	-
Ernest T. & Barbara A. Oskin Fund	-	-	1,290,445	1,290,445	-
Native American Endowment Fund	-	-	34,770	34,770	-
St. Clair High School Class of 2000					
Giving Back Fund	-	-	30	30	-
Access to Recreation Fund	-	-	253,597	253,597	-
F. William & Patricia Schwarz Fund	-	-	150,738	150,738	-
Thomas K. Smith Fund	-	-	148,745	148,745	-
Youth Advisory Council Fund	-	-	1,496,826	1,496,826	-
Healthy Youth, Healthy Seniors Fund	-	-	166,079	166,079	-
Alexa Lawrence Fund for Education	-	-	84,680	84,680	-
Marcia M. Haynes Endowment Fund	-	-	7,141	7,141	-
Community Capital Club (C3) Fund	-	-	239,417	239,417	-
Henry and Harriet Whiting Memorial Fund	-	-	2,769,636	2,769,636	-
DSLTT Fund	-	-	926,457	926,457	-
Mary Moore Fund	-	-	1,040,135	1,040,135	-
Fred and Lezlynn Moore Family Fund	-	-	974,033	974,033	-
Juanita Gittings Youth Fund	-	-	-	-	-
Charitable Gift Annuity Fund:					
Raymond & Catherine Gellein Fund	-	-	27,426	27,426	-
Community Renaissance Fund	443,114	-	-	443,114	-
Blue Water Land Fund, Inc.	3,525,408	-	-	3,525,408	-
<b>Total</b>	<b>\$ 5,281,395</b>	<b>\$ 4,155,302</b>	<b>\$40,197,641</b>	<b>\$49,634,338</b>	<b>\$ 1,630,993</b>