

**MARQUETTE COMMUNITY FOUNDATION
D/b/a MARQUETTE COUNTY COMMUNITY FOUNDATION**

AUDITED FINANCIAL STATEMENTS

For the Years Ended December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Marquette Community Foundation
D/b/a Marquette County Community Foundation
250 N. McClellan Avenue, Suite B
Marquette, Michigan 49855

We have audited the accompanying financial statements of The Marquette Community Foundation (a non-profit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Trustees of the
Marquette Community Foundation
D/b/a Marquette County Community Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Marquette Community Foundation as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

September 11, 2015

**Marquette Community Foundation
D/b/a Marquette County Community Foundation**

STATEMENTS OF FINANCIAL POSITION

December 31, 2014 and 2013

	December 31	
	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 164,921	\$ 179,024
Investments	12,863,733	12,687,447
Cash surrender value of life insurance	358,629	380,700
Pledges receivable-current portion	1,000	865
TOTAL CURRENT ASSETS	13,388,283	13,248,036
NON-CURRENT ASSETS:		
Pledges receivable-non-current portion	22,000	-
TOTAL NON-CURRENT ASSETS	22,000	-
TOTAL ASSETS	\$ 13,410,283	\$ 13,248,036
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,226	\$ 6,509
TOTAL CURRENT LIABILITIES	3,226	6,509
NET ASSETS:		
Unrestricted	13,269,074	13,153,128
Temporarily restricted net assets	137,983	88,399
TOTAL NET ASSETS	13,407,057	13,241,527
TOTAL LIABILITIES AND NET ASSETS	\$ 13,410,283	\$ 13,248,036

The accompanying notes to financial statements are an integral part of this statement.

**Marquette Community Foundation
D/b/a Marquette County Community Foundation**

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2014 and 2013

	2014		2013			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
CHANGES IN NET ASSETS:						
Revenues and support:						
Contributions	\$ 451,771	\$ 405,035	\$ 856,806	\$ 261,018	\$ 383,402	\$ 644,420
Income on investments	811,192	2,279	813,471	620,141	696	620,837
Investment return	(537,297)	(407)	(537,704)	948,031	(271)	947,760
Other revenue	41,209	-	41,209	6,320	-	6,320
Net assets released from restrictions	357,323	(357,323)	-	443,881	(443,881)	-
	<u>1,124,198</u>	<u>49,584</u>	<u>1,173,782</u>	<u>2,279,391</u>	<u>(60,054)</u>	<u>2,219,337</u>
TOTAL REVENUES AND SUPPORT						
EXPENSES:						
Program services	881,663	-	881,663	971,551	-	971,551
Administration	102,309	-	102,309	87,814	-	87,814
Fundraising	24,280	-	24,280	25,814	-	25,814
	<u>1,008,252</u>	<u>-</u>	<u>1,008,252</u>	<u>1,085,179</u>	<u>-</u>	<u>1,085,179</u>
TOTAL EXPENSES						
CHANGES IN NET ASSETS						
Net assets beginning of year	115,946	49,584	165,530	1,194,212	(60,054)	1,134,158
	<u>13,153,128</u>	<u>88,399</u>	<u>13,241,527</u>	<u>11,958,916</u>	<u>148,453</u>	<u>12,107,369</u>
NET ASSETS END OF YEAR	<u>\$ 13,269,074</u>	<u>\$ 137,983</u>	<u>\$ 13,407,057</u>	<u>\$ 13,153,128</u>	<u>\$ 88,399</u>	<u>\$ 13,241,527</u>

The accompanying notes to financial statements are an integral part of this statement.

**Marquette Community Foundation
D/b/a Marquette County Community Foundation**

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2014 and 2013

	December 31	
	2014	2013
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Change in net assets	\$ 165,530	\$ 1,134,158
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in contributions receivable	(22,135)	9,585
Change in cash surrender value of life insurance	22,071	(20,704)
Investment return (gain) loss	537,704	(947,760)
Change in accounts payable	(3,283)	3,400
Change in grants payable	-	(6,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	699,887	172,679
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	3,561,913	1,418,916
Purchase of investments	(4,275,903)	(1,728,391)
NET CASH USED BY INVESTING ACTIVITIES	(713,990)	(309,475)
CHANGE IN CASH AND CASH EQUIVALENTS	(14,103)	(136,796)
Cash and cash equivalents at beginning of year	179,024	315,820
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 164,921	\$ 179,024
NON CASH ACTIVITIES:		
Donation of investments	\$ -	\$ -
NET NON CASH ACTIVITIES	\$ -	\$ -

The accompanying notes to financial statements are an integral part of this statement.

**Marquette Community Foundation
D/b/a Marquette County Community Foundation**

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31, 2014 and 2013

	2014			2013				
	Program	Administrative	Fundraising	Total	Program	Administrative	Fundraising	Total
Operating Expenses:								
Salaries	\$ 57,565	\$ 19,188	\$ 19,188	\$ 95,941	\$ 52,356	\$ 17,452	\$ 17,452	\$ 87,260
Payroll taxes	4,407	1,469	1,469	7,345	7,764	2,588	2,588	12,940
Employee benefits	-	-	-	-	601	200	200	1,001
Accounting services	-	32,914	-	32,914	-	11,637	-	11,637
Legal services	-	2,069	-	2,069	-	-	-	-
Office supplies	-	3,993	-	3,993	-	7,658	-	7,658
Telephone	-	2,764	-	2,764	-	2,917	-	2,917
Postage and shipping	-	2,049	-	2,049	-	1,729	-	1,729
Occupancy	-	6,500	-	6,500	-	7,000	-	7,000
Equipment rental and maintenance	-	2,443	-	2,443	-	607	-	607
Annual report	-	-	-	-	-	-	-	-
Donor newsletter	-	-	3,623	3,623	-	-	5,574	5,574
Travel	-	3,297	-	3,297	-	1,718	-	1,718
Meetings and special events	-	14,799	-	14,799	-	13,023	-	13,023
Dues, fees, and registration	-	4,847	-	4,847	-	30,928	-	30,928
Training and classes	-	1,480	-	1,480	-	704	-	704
Insurance	-	2,224	-	2,224	-	2,153	-	2,153
Consulting services	-	-	-	-	-	-	-	-
Utilities	-	938	-	938	-	1,100	-	1,100
Miscellaneous expense	-	1,335	-	1,335	-	(13,600)	-	(13,600)
Total Operating Expenses	61,972	102,309	24,280	188,561	60,721	87,814	25,814	174,349
Grant Expenses								
Grants voted	762,837	-	-	762,837	844,895	-	-	844,895
Investment Expenses								
Investment custodial fees	56,854	-	-	56,854	65,935	-	-	65,935
TOTAL EXPENSES	\$ 881,663	\$ 102,309	\$ 24,280	\$ 1,008,252	\$ 971,551	\$ 87,814	\$ 25,814	\$ 1,085,179

The accompanying notes to financial statements are an integral part of this statement.

MARQUETTE COMMUNITY FOUNDATION
D/b/a MARQUETTE COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

The Marquette Community Foundation (MCF) is a non-profit organization, which seeks to provide a means by which individuals can join together to create an endowment. Through sound management the Foundation will provide sufficient income to support charitable activities within the Marquette area. The Foundation seeks to enhance the quality of life in the greater Marquette area by improving the educational, cultural, recreational, environmental and social welfare resources of the area and developing youth for community leadership.

Basis of Presentation

Financial statement presentation follows the provisions of Accounting Standards Codification FASB (ASC) 958-205-45-2. In accordance with FASB ASC 958-205-45-2, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

All fund agreements held with the Foundation contain a “variance statement”. This statement is in place to authorize the Foundation’s Board of Trustees ultimate authority over the distribution of funds to insure the intent of the funds can be honored over time. Because the Foundation holds variance power, from an accounting perspective, all funds are classified as unrestricted, except those with time or purpose restrictions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements are prepared in accordance with the specialized requirements of FASB ASC 958-605-45-3 Contributions Received; FASB ASC 958-205-45-2 Presentation of Financial Statements; and FASB ASC 958-320-45-2 Reporting Investment Gains, Losses, and Income.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts and money market funds, which are carried at cost which approximated fair value. The Foundation maintains demand deposits in banks, and in the normal course of business, amounts may exceed federal insured limits. Management believes the Foundation is not exposed to any significant interest rate or other financial risk on these deposits.

Investments

Investments are carried at fair value, using quoted market prices. Net realized gains and losses and unrealized increases or decreases resulting from changes in the market value of investments are included in the statement of activities. The realized gain or loss on the sale of investments is the difference between the proceeds received and the cost of specific investments sold.

Donated Assets

Donated investments and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Grants Payable

Grants are recognized as an expense when approved by the governing board of the Foundation and its supporting organizations if unconditional, or when the related conditions are met by the recipient, if conditional. Grants payable recorded in the accompanying statements of financial position are generally expected to be paid within one year.

Net Asset Classifications

The net asset groups used for reporting purposes in the accompanying financial statements are as follows:

Unrestricted Net Assets – Consist of contributed assets that have not been restricted as to use by donors. Certain of these assets may be designated by the governing board of the Foundation and its supporting organizations to be used for a specific purpose.

Temporarily Restricted Net Assets – Consist of contributed assets for which the use by the MCF and its supporting organizations has been limited by donors for a specific time period or purpose.

Permanently Restricted Net Assets – Consist of contributions with donor-imposed restrictions that do not expire and that allow, in certain cases, only the income earned thereon to be expended.

Estimates

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

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 11, 2015 which is the date the financial statements were available to be issued.

NOTE B – INCOME TAXES:

The Foundation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. It has been classified as an organization other than a private foundation under Section 509 (a) (2). Accordingly, no provision has been made for income taxes in the accompanying financial statements. The tax periods open for examination by the Internal Revenue Service are calendar years ending December 31, 2012, 2013 and 2014.

NOTE C – INVESTMENTS:

The cost, fair value and unrealized appreciation (depreciation) of investment securities as of December 31, 2014 and 2013 are as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
December 31, 2014			
Cash and cash equivalents	\$91,125	\$91,125	\$-
Mutual funds	10,950,600	11,527,708	577,108
Index funds and other assets	1,113,857	1,244,900	131,043
Total Investments	<u>\$12,155,582</u>	<u>\$12,863,733</u>	<u>\$708,151</u>
December 31, 2013			
Cash and cash equivalents	\$61,459	\$61,459	\$-
Mutual funds	10,298,360	11,302,544	1,004,184
Index funds and other assets	1,104,446	1,323,444	218,998
Total Investments	<u>\$11,464,265</u>	<u>\$12,687,447</u>	<u>\$1,223,182</u>

The schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2014 and 2013:

	Unrestricted	Temporarily Restricted	Total
December 31, 2014			
Income on investments:			
Dividends, interest, and realized gains	<u>\$811,192</u>	<u>\$2,279</u>	<u>\$813,471</u>
Investment return			
Unrealized gain (loss) on investments	<u>(\$537,297)</u>	<u>(\$407)</u>	<u>(\$537,704)</u>
December 31, 2013			
Income on investments:			
Dividends, interest, and realized gains	<u>\$620,141</u>	<u>\$696</u>	<u>\$620,837</u>
Investment return			
Unrealized gain (loss) on investments	<u>\$948,031</u>	<u>(\$271)</u>	<u>\$947,760</u>

NOTE D – FAIR VALUE:

The Foundation utilizes fair value measurements to record fair value adjustments to its investments and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis.

The Foundation groups its investments at fair value into three levels (termed the *fair value hierarchy*), based on the markets in which the investments are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange, U.S. Treasury securities that are traded by dealers or brokers in active over-the-counter markets, and money market funds. All the Foundations investments are securities classified as Level 1.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. The Foundation holds no investments classified as Level 2.

NOTE D – FAIR VALUE (Continued):

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. The Foundation holds no investments classified as Level 3.

NOTE E – PLEDGES RECEIVABLE:

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. No provision has been made for uncollectible unconditional promises receivable because in management’s judgment, all material amounts will be collected. Unconditional promises to give consist of unrestricted promises due in:

As of December 31,	2014	2013
2014	\$-	\$865
2015	1,000	-
2016	-	-
2017	22,000	-
Total	<u>\$23,000</u>	<u>\$865</u>

NOTE F – CASH SURRENDER VALUE LIFE INSURANCE:

The Foundation is the beneficiary for a number of life insurance policies that have been donated to them. The total cash surrender value recorded as an asset as of December 31, 2014 and 2013 is \$358,629 and \$380,700, respectively.

One of these policies was donated during 1998 to establish a scholarship fund and has a face value of \$1,000,000. When the premium payments plus the investment value in the contract cause the cash value of the policy to exceed \$1,050,000, the Foundation may consider the Fund mature and initiate the distribution of scholarships. Otherwise, the fund will be considered matured within twenty months of the donor’s death.

Subsequent to the date of the financial statements, one life insurance policy with a cash surrender value of \$87,096 recorded in the December 31, 2014 financial statements, was collected for \$350,000.

NOTE G – ENDOWMENT FUNDS:

The Foundation’s endowment includes nineteen (19) and eighteen (18) individual funds that are temporarily restricted for the years ended December 31, 2014 and 2013, respectively. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed purpose or time restrictions.

NOTE G – ENDOWMENT FUNDS (Continued):

The changes in Endowment Net Assets for the year ended December 31, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$13,153,128	\$88,399	\$-	\$13,241,527
Interest and dividends, net of investment expense	811,192	2,279	-	813,471
Net appreciation	(537,297)	(407)	-	(537,704)
Contributions	451,771	405,035	-	856,806
Amounts appropriated for expenditure	(650,929)	(357,323)	-	(1,008,252)
Other changes	41,209	-	-	41,209
Change in Endowment Net Assets	<u>115,946</u>	<u>49,584</u>	<u>-</u>	<u>165,530</u>
Endowment Net Assets, End of Year	<u>\$13,269,074</u>	<u>\$137,983</u>	<u>\$-</u>	<u>\$13,407,057</u>

The changes in Endowment Net Asset Composition by Type of Fund for the year ended December 31, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor designated Endowment Funds	\$-	\$137,983	\$-	\$137,983
Other Endowment Funds:				
Undesignated	13,269,074	-	-	13,269,074
Total Endowment Funds	<u>\$13,269,074</u>	<u>\$137,983</u>	<u>\$-</u>	<u>\$13,407,057</u>

The changes in Endowment Net Assets for the year ended December 31, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$11,958,916	\$148,453	\$-	\$12,107,369
Interest and dividends, net of investment expense	620,141	696	-	620,837
Net appreciation	948,031	(271)	-	947,760
Contributions	261,018	383,402	-	644,420
Amounts appropriated for expenditure	(641,298)	(443,881)	-	(1,085,179)
Other changes	6,320	-	-	6,320
Change in Endowment Net Assets	<u>1,194,212</u>	<u>(60,054)</u>	<u>-</u>	<u>1,134,158</u>
Endowment Net Assets, End of Year	<u>\$13,153,128</u>	<u>\$88,399</u>	<u>\$-</u>	<u>\$13,241,527</u>

The changes in Endowment Net Asset Composition by Type of Fund for the year ended December 31, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor designated Endowment Funds	\$-	\$88,399	\$-	\$88,399
Other Endowment Funds:				
Undesignated	13,153,128	-	-	13,153,128
Total Endowment Funds	<u>\$13,153,128</u>	<u>\$88,399</u>	<u>\$-</u>	<u>\$13,241,527</u>

NOTE G – ENDOWMENT FUNDS (Continued):

Return Objectives and Risk Parameters

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 endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet or exceed a bench mark that includes the S&P 500, 400, and 600, EAFE and Barclays Aggregate Bond Index.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (investment and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year up to 5 percent of its endowment fund's fair value over the prior twelve and twenty quarters through September 30 of the preceding fiscal year in which the distribution is planned for the years 2014 and 2013, respectively. In establishing this policy, the MCF considered the long-term expected return on its endowment.

NOTE H – UNRESTRICTED NET ASSETS:

The unrestricted Marquette Community Foundation net assets consisted of the following:

Year 2014	Operating Fund	Endowment Fund	Total
Marquette	\$86,401	\$797,360	\$883,761
Ishpeming	3,207	50,334	53,541
Negaunee	5,027	41,699	46,726
Gwinn	384	2,080	2,464
Subtotal	95,019	891,473	986,492
Other unrestricted net assets	-	12,282,582	12,282,582
Total	\$95,019	\$13,174,055	\$13,269,074

Year 2013	Operating Fund	Endowment Fund	Total
Marquette	\$50,535	\$546,861	\$597,396
Ishpeming	2,966	49,711	52,677
Negaunee	3,582	42,740	46,322
Gwinn	338	1,931	2,269
Subtotal	57,421	641,243	698,664
Other unrestricted net assets	-	12,454,464	12,454,464
Total	\$57,421	\$13,095,707	\$13,153,128

NOTE I – TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets as of December 31, 2014 and 2013 consist of the following:

Purpose Restrictions:	2014	2013
Sister Cities Artist Exchange Fund	\$4,967	\$3,889
City Gift Program Fund	11,693	5,918
Friends of Marquette Arts and Culture	44	71
Park Cemetery Enhancement Fund	1,158	887
Presque Isle Park Improvements	1,431	2,453
Sister City Japan Fund	1,797	3,876
Friends of Presque Isle Park Playground	26,269	680
Community Environmental Monitoring Program	16,461	6,028
City Skateboard Park Fund	27,899	486
Sister City Japanese Gardens	91	93
Sister City Finland Fund	5,809	5,987
Festivals and Events	1,233	1,271
Youth Arts and Theater Fund	568	586
Huron Mountain Club Pass Through Fund	27,139	51,136
Heritage Tree Program	2,626	2,591
Fire Belltower Paver Bricks	1,305	1,669
Playground Donations Fund	128	132
The Fred Rydholm Copper Campaign Fund	7,365	646
TEMPORARILY RESTRICTED NET ASSETS	<u>\$137,983</u>	<u>\$88,399</u>

NOTE J – LEASE:

The Foundation was committed under certain operating leases for office space during the year. The office lease called for payments of \$500 on a month-to-month basis plus additional miscellaneous items. Total lease rentals amounted to \$6,500 and \$7,000 in 2014 and 2013, respectively.

NOTE K – FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

NOTE L – DONATED EQUIPMENT AND SERVICES:

A number of unpaid volunteers have made significant contributions of their time to develop the Foundation's programs. The value of this contributed time is not reflected in these statements, since it is not susceptible to objective measurement of valuation. Also, such services would not have been procured if not provided by donation.

Various donors have donated a significant amount of office furniture and equipment to the Foundation. The values of these donations have not been reflected in these statements, since they are not susceptible to objective measure of valuation as of the date of donation.

NOTE M – CONCENTRATIONS OF RISK:

At year end, the carrying amount of cash was \$164,921 and the bank balance was \$231,270. All of the bank balance was covered by the Federal Deposit Insurance Company (FDIC).

In the years ending December 31, 2014 and 2013, a significant amount of contributions were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. The Foundation's contributors are concentrated in the Marquette County, Michigan, geographical area.

NOTE N – COMMUNITY ENVIRONMENTAL MONITORING PROGRAM:

The Foundation has entered into an agreement with the Eagle Mine and the Superior Watershed Partnership to administer an oversight committee for community monitoring. For administering the committee, the Foundation will receive five percent of the funds donated by the Eagle Mine. This agreement is for three years, however either party can end the agreement with thirty days' notice. Current and future contributions, grant expenses, and administrative revenue are as follows:

<u>Year</u>	<u>Contributions</u>	<u>Grant Expense</u>	<u>Administrative Revenue</u>
2013	\$300,000	\$285,000	\$15,000
2014	300,000	285,000	15,000
2015	300,000	285,000	15,000
Total	<u>\$900,000</u>	<u>\$855,000</u>	<u>\$45,000</u>