



FOCUS

annual report

For **good.** For **ever.**

Our mission

To provide philanthropic leadership to strengthen our community by fostering collaboration and giving today and in the future.

Our vision

To be the catalyst and recognized leader in community philanthropy.

Pictured: Midland's Center City

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Pictured: Midland's Santa House is a longtime project of the Midland Area Community Foundation



Letter from the CEO

Zig Ziglar stated, "I don't care how much power, brilliance or energy you have, if you don't harness it and focus it on a specific target, and hold it there you're never going to accomplish as much as your ability warrants."

So how do we take power, brilliance and energy and focus it on a specific target? Community foundations were designed to do just that – take the incredible abilities and generosity of individuals and work together to bring about positive transformation in a specific geographic area.

The Midland Area Community Foundation was founded in 1973 by leaders whose idea was to allow everyday people to join together and establish a public foundation. Described as "by the people, for the people," the stated purpose of the organization was to improve the quality of life in Midland.

The essence of a community foundation is many people putting their money together to address the diverse needs where they live. Gifts enable people to dream bigger, to see the many possibilities. As money is endowed, the gifts grow forever, providing ongoing support to help the community prosper.

The foundation grew out of the basic human desire to positively impact the world knowing that changing the world starts with changing where we live. For the past 46 years, Midland Area Community Foundation has held its focus on changing our corner of the world.

"Together we are focusing our efforts to build a vibrant community: for good, for ever."

Our annual report captures some of our focused efforts over the past year. These efforts include partnering with nonprofits through grantmaking, supporting donors in their charitable giving, engaging in impact investing and providing leadership in community initiatives.

All of this work falls under four focus areas essential for a vibrant community: building our livelihood, developing our talent, caring for our people and enriching our community. We want to do our part to help the Midland area be an exceptional place for people to thrive.


So please enjoy reading and know the important role you play. Thank you for focusing your time, your talent and your treasure on this wonderful community. Together we are focusing our efforts to build a vibrant community: for good, for ever.

"Concentrate all your thoughts upon the work at hand. The sun's rays do not burn until brought to a focus." - Alexander Graham Bell

Sharon Mortensen

President & CEO

Pictured: A mural at the BR US-10 underpass, paid for by a community foundation grant



Pictured: Ten16's new home under construction in Midland's Center City

RELOCATING

Grants go to nonprofits in need of new space

After 14 years calling the Strosacker building in Downtown Midland home, Sam Price was faced with a challenge. He and his team at Ten16 Recovery Network needed to find a new facility.

For a relatively small nonprofit agency, the expense of moving can be an enormous hurdle. Knowing the Midland Area Community Foundation offers larger grant amounts in the 4th quarter grant cycle, they applied for a \$100,000 grant in 2018. The request was approved, helping Ten16 with their plans to eventually build a new, \$1.85 million facility.

Seven other agencies found themselves in the same situation, a result of the Strosacker Building being purchased and slated for redevelopment as part of Downtown Midland's continued transformation.

Ten16 provides an incredibly valuable resource for the community. Since 1980, they have worked to help those suffering from addiction. Several results-driven programs are available for those in need, including detox, counseling, recovery housing, employment training/support, and more.

When Ten16's relocation plans took longer than expected, they worked with the purchaser to temporarily extend the lease while a solution was sought. The former owner also assisted with relocation efforts for all of the Strosacker building tenants.

After conversations with the City of Midland's Planning & Development Division, Ten16 settled on purchasing a lot at 133 N. Saginaw Road, in the heart of the Center City district, which is in the midst of plans for revitalization.

"We are so excited to be coming to this new location," said Price. "Finding a spot in town that is centrally located, can offer privacy and have green space was not easy. This new building will give folks a welcoming, safe, sober place to gather as they are rebuilding their lives."

During the same grant cycle, Shelterhouse was also awarded a \$100,000 grant for their relocation project. Their current building is aging and they have outgrown the space. In order to meet the needs of clients, they also have plans to build a new facility.

"One of the Midland Area Community Foundation's primary reasons for existence is to partner with our local nonprofits in the impactful work they do," said Sharon Mortensen, MACF President and CEO. "The prospect of moving with a typical

nonprofit budget is a daunting one. While necessary in most cases, it takes time and money away from their core mission. The community foundation was proud to help ease that burden through our grant offerings."

Shelterhouse broke ground on their new facility in January of 2019. They plan to grow from six bedrooms to fifteen private suites. Currently, Shelterhouse turns away over 300 in need each year due to lack of space.

"The new building will increase the capacity of living space to provide shelter to survivors of domestic violence and sexual assault and give tenants more privacy," said Janine Ouderkirk, Shelterhouse executive director.



IMPACT INVESTING

Why we have a 15% stake in Downtown Midland's newest hotel

Impact investing might be new to the Midland Area Community Foundation, but it's been around longer than you might think.

Investing with social responsibility in mind isn't anything new. From some of the earliest economic systems on earth, humans have put a higher emphasis on investments that bring a social return. They knew then what we know now: people are flawed but valuable, and deserve to be treated with dignity, respect, and compassion. Because of that, economic activity that has social value continues to be considered a preferred investment.

Today, socially responsible investing could take several forms. Is a business committed to protecting the environment? Better yet, are they creating products specifically meant to protect the environment? Each generation faces different social issues, and impact investing can help tackle these issues by encouraging the right for-profit companies to step up to the plate.

At its core, impact investing is an approach that encourages organizations to focus on social good while making a profit and contributing to the local economy.

Throughout the community foundation's 46-year history, old-fashioned, tried-and-true stock market investments have comprised the bulk of our assets. On paper, this approach makes sense. Most gifts to the community foundation are endowed and invested in the stock market, earning market-rate returns. The foundation then grows and is able to offer more grants to nonprofits.

That formula won't go away, and why would it? It works. But what if even a small piece of that investment pie were allocated to companies based in Midland? Through our participation in the global stock market, we've helped bring jobs and wealth to many parts of the world. In 2017, we finalized a plan to designate two percent (\$2 million) of our investment dollars to Midland.

By definition, impact investing should provide a social return, but doesn't always provide a financial return. Our \$300,000 investment in the new Fairfield Inn & Suites in Downtown Midland should provide both. The social return includes new jobs, overnight rooms for visitors to Midland's growing downtown, and a boost to our local economy. Financially, a positive return is expected.

While impact investing is in vogue among foundations, not many have been doing it very long. We're carefully evaluating results from our foundation and others, and will continue to assess the viability of this model. We believe that through careful impact investing, a portion of capital from the community foundation can be a catalyst that attracts more commercial and public dollars, leading to more innovative and effective projects and enterprises in our community.

Your Midland Area Community Foundation will continue to look for projects to fund that include social returns for residents and visitors of Midland County, and we welcome ideas from others. We strongly believe that our community, and its future, is always a worthwhile investment.

In all things, we're here to champion causes our donors and supporters care about and support our community by being a trusted steward of funds. Your community foundation will continue to enrich and improve the quality of life in Midland County: for good, for ever.



Fairfield
BY MARRIOTT
INN & SUITES

THE IEUTER FAMILY

Donor Advised Fund

Karl and Julie Ieuter didn't think they could open a fund with the Midland Area Community Foundation.

"We've been involved with different local nonprofits for a long time, so the idea of a central place to hold our charitable dollars sounded great," said Karl. "But we told our financial advisor that we didn't have the millions needed to start a fund."

By chance, their financial advisor happened to serve on the Midland Area Community Foundation Board of Trustees. He explained to the Ieuters that the minimum to open a fund was \$5,000. He talked about the difference between a donor advised fund held at a community foundation versus a charitable fund at a larger financial institution, then let them weigh their options.

"We were really surprised to learn that the minimum was \$5,000, not hundreds of thousands or millions like we assumed," said Karl. "When you think about charitable funds, you usually think of enormously wealthy families like the Gates or Buffets of the world."

While the Bill and Melinda Gates Foundation gives millions to important issues with a global scope, it's families like the Ieuters who are having a huge impact on their local

communities through donor advised funds. "In the end, we liked the idea of keeping our charitable fund local," said Julie. "We don't have to contact a company from another state when we want a check distributed, and the community foundation knows what the local needs are."

Together, Karl and Julie established the Ieuter Family Donor Advised Fund in 2018. The fund is permanently endowed, meaning a portion will always be invested and earning market-rate interest to help the fund grow.

Donors open funds for many reasons. There are tax incentives, you can easily give

back to nonprofits (including your church offering), it establishes a permanent fund in your name. But Karl and Julie had three other big reasons for establishing the fund: their names are Abigail, Rachael, and Adele.

"We have three daughters, and this fund will eventually be passed on to them so they can give back to causes they care about," said Karl.

"It's a way to teach the kids that giving back to your community is so important," said Julie. "As they get older, we'll ask them more and more which charitable causes they are interested in."

Just a year into establishing the fund, the Ieuter family is already seeing the benefits.

"We love the online fund request feature," said Karl. "I've gone to fundraising events and instead of filling out a donation envelope, I'll hop on my phone and fill out a fund request form from the foundation website, and they take care of getting the payment to the nonprofit. It's a pretty simple system."

In addition to requesting a payment from the fund, the Ieuter Family Donor Advised Fund is also listed on the Midland Area Community Foundation website and is able to accept donations, making it a great gift option for special occasions. The community foundation regularly processes gifts to donor advised funds from the fundholder's friends and relatives for birthdays, holidays, and other special events.


The Ieuter family joins over 100 other donor advised funds held at the Midland Area Community Foundation, collectively giving out an average of \$3 million per year.


"We're glad to be able to give back in this way," said Karl. "It's simplified our giving process and allowed us a way to leave a permanent legacy in the community that we love."








Our grantmaking \$4,530,037


**Arts**
\$231,056


**Community**
\$1,361,713


**Education**
\$315,471

**Environment**
\$258,671

**Health**
\$912,249

**Recreation**
\$348,238

**Scholarships**
\$802,253

**Youth**
\$300,386

Your community foundation holds over 600 individual funds, each with a different purpose, each impacting our community through grants and/or scholarships. Most funds were established by individuals who are interested in partnering with their community foundation to positively impact our community.

Grant totals above reflect all funds held at the Midland Area Community Foundation. Grants on the following pages represent only the community foundation's competitive grants. Money for these grants come from unrestricted funds held at the community foundation.



Top:
Homer Township grant to replace roof on Public Safety building
Bullock Creek High School Band grant for uniforms
Midland Parks & Recreation grant for Plymouth Pool upgrades
MidMichigan Health Foundation grant towards new Heart & Vascular Center

Bottom:
The Big Give donates to STEP Up Coach
Students and donors meet at 2018 Scholarship Reception
Mortensen speaks at Tridge re-dedication ceremony
Public art installations paid in part by community foundation



FOCUS AREAS



Developing our Talent
Midland County offers high quality education and learning opportunities throughout life. Our community nurtures a skilled workforce and places high value on post-secondary learning. We provide opportunities for children and youth to realize their hopes and dreams.



Building our Livelihood
Midland County creates and sustains competitive advantages for existing and future businesses. We are well-connected and invest in our physical and technological infrastructure.



Caring for our People
The Midland community provides a coordinated and comprehensive system of supportive health and human services so that all may thrive. We encourage self-sufficiency and accept our individual responsibilities to collaborate to create the safest community in the country.



Enriching our Community
Midland County is a vibrant hub of arts, culture, entertainment and recreational opportunities. We are committed to equality and inclusion, and we welcome, embrace and accept all people. We are a sustainable community that values and protects its natural resources.

By working with Midland’s Community Success Panel, we have outlined four major focus areas for the Midland Area Community Foundation. We believe that in order to work towards a more vibrant, thriving community, our efforts should be focused on these broad areas.

Building our livelihood means focusing on economic development and infrastructure. **Developing our talent** means focusing on education and the development and engagement of our youth. **Caring for our people** means focusing on health, human services, poverty, housing, and public safety. **Enriching our community** means focusing on arts, culture, entertainment, recreation, diversity, and the environment.

We believe that moving forward together with our donors and the community, these areas of focus will help shape the future of Midland County. Together, we’re enriching and improving our quality of life.

All competitive grants 2018



1ST QUARTER

Affordable Housing Alliance - \$10,000
New office building

Bullock Creek High School Band - \$16,000
Varsity band uniforms

Camp Centaur - \$38,130
Tractor & sand/gravel for parking lot

Camp Fire - \$40,000
Child care program expansion

Family and Children’s Services - \$7,100
Support group expansion

Midland Area Homes - \$40,000
New office building

Midland Chinese Network - \$5,000
Establish Chinese library

Midland Parks & Recreation - \$40,000
Central Park pickle ball and tennis courts

The Arc of Midland - \$30,000
Project Lifesaver location devices

MCYAC: Camp Fish Tails - \$10,000
Camp scholarships

MCYAC: Little Forks Conservancy - \$10,000
Nature to Nurture program

2ND QUARTER

Midland Parks & Recreation - \$30,000
Plymouth Pool upgrades

Edenville Township - \$40,000
Fire department renovation/expansion

Great Lakes Bay Regional Alliance - \$25,000
Middle School mathematics project

Midland Antique Engine Association - \$10,000
Antique engine restoration project

Midland County Parks - \$25,083
Sanford Lake Park boat livery

Royal Family KIDS - \$39,410
Teen camps and mentoring

MCYAC: Ronald McDonald House of Western MI - \$3,000
Family support programs

MCYAC: The ROCK - \$10,000
STEM activity programs

3RD QUARTER

Humane Society of Midland County - \$35,000
Vehicle and website upgrades

4TH QUARTER

Homer Township - \$100,000
Public safety facility re-roofing project

Midland County Road Commission - \$100,000
Asphalt recycling program

MidMichigan Health Foundation - \$100,000
Heart & Vascular Center

Shelterhouse - \$100,000
Facility relocation

Ten16 Recovery Network - \$100,000
Facility relocation

Village of Sanford - \$100,000
Green space mitigation project

MCYAC: Young Life - \$9,000
Middle School WylidLife program

ASSETS	2018	2017
Cash & cash equivalents	\$3,760,979	\$3,123,707
Investments	89,200,979	95,884,546
Prepaid expenses & other assets	131,440	76,822
Parks & improvements	668,647	668,647
Office facility & equipment, net	<u>570,849</u>	<u>602,222</u>
Total Assets	<u>\$94,332,894</u>	<u>\$100,355,944</u>
LIABILITIES & NET ASSETS		
Liabilities		
Accounts payable	\$299,941	\$207,922
Grants payable	240,600	42,117
Restricted funds	<u>2,179,388</u>	<u>2,300,313</u>
Total Liabilities	2,719,929	2,550,352
Net Assets		
Unrestricted	89,591,150	95,536,334
With donor restrictions	2,021,815	2,269,258
Total Net Assets	<u>91,612,965</u>	<u>97,805,592</u>
Total Liabilities and Net Assets	<u>\$94,332,894</u>	<u>\$100,355,944</u>

REVENUE & GAINS/(LOSSES) & OTHER SUPPORT	2018	2017
Contributions	\$7,276,741	\$8,809,312
Investment return, net	(6,133,778)	\$12,033,110
Miscellaneous	<u>171,741</u>	<u>75,415</u>
Total revenues, gains, and other support	1,314,704	20,917,837
EXPENSES		
Program services:		
Developing our talent	1,563,437	1,732,892
Enriching our community	1,688,067	2,416,158
Caring for our people	1,844,496	2,726,831
Building our livelihood	1,581,813	4,955,112
Support services:		
Management/general	557,413	526,257
Fundraising	<u>272,105</u>	<u>258,226</u>
Total expenses	<u>7,507,331</u>	<u>12,615,476</u>
Change in net assets	(6,192,627)	8,302,361
Net assets, year beginning	<u>97,805,592</u>	<u>89,503,231</u>
Net assets, year end	<u>\$91,612,965</u>	<u>\$97,805,592</u>

Our FINANCIALS

Pictured: The new "tool library" is opened thanks in part to a grant from MACF

\$94,332,894

OUR FUNDS

Working together for a better community

Community Investment \$28,696,669	Designated Funds \$21,715,353	Scholarship Funds \$17,663,581
Donor Advised Funds \$9,489,386		Agency Funds \$8,057,317
Field of Interest Funds \$4,845,425	Project Funds \$3,859,583	Giving Circle Funds \$5,580

Investing for the future of Midland County

With over \$94 million in total assets, your community foundation is poised to continue focusing on our mission well into the future. The above dollar amounts represent over 600 individual funds opened throughout our 46-year history. Some are temporary funds, many are endowed, all have a purpose of helping with causes our donors care about.

Any person can make a difference through their gift, large or small, to the Midland Area Community Foundation.

Community Investment Funds

Meeting ever-changing needs

When you establish a Community Investment Fund, you can address a broad range of local needs, including future needs that often cannot be anticipated today.

Donor Advised Funds

A personal approach to giving

If you want to be actively involved in suggesting uses for your donation, a Donor Advised Fund is the perfect way to do it. It's a simple, powerful, and a highly personal approach to giving, and you can change your focus any time you want.

Field-of-interest Funds

Connecting personal values to high-impact opportunities

If you're passionate about a particular cause (or causes), a Field-of-Interest Fund will allow you to target specific areas of community life such as arts, at-risk youth, community development, or other initiatives.

Designated Funds

Helping local organizations sustain and grow

If you'd like to make a lasting impact for a particular non-profit organization – a senior center, museum, or other organization – a Designated Fund is exactly what you're looking for.

Agency Funds

Endowing a nonprofit organization

Several nonprofit organizations (and/or their donors) have established an Agency Fund with us. It's a simple and efficient way to build an endowment and help create sustainability for local nonprofits

Scholarship Funds

Investing in deserving students

If education is your thing, then establishing a Scholarship Fund will allow you to help hardworking area students achieve their lifetime dreams. Scholarship funds are a great way to memorialize a loved one or honor a family/individual.

Project Funds

Focus on fundraising, not fund management

If you're working on a short-term community project, a Project Fund is the ideal vehicle. We'll manage all accounting, tax receipts, and donor communication, so you can focus on fundraising.

Giving Circle Funds

Giving with a group

A Giving Circle Fund is a great opportunity to combine your contributions with other like-minded individuals so that everyone can collectively make a lasting difference on the causes they value. We'll manage the details while your group focuses on raising funds.

LEAVE A...

Gene Anderson	Elloweese Denise Freer	Bernie Meister
Mary E. Armstrong*	Michael R. and Cassie J. Gambrell	Celia G. Mendoza
Dorothy Van Arsdale*	Kathleen and Howard Garrett*	Ann H. Moore*
Charles R. Ashcraft*	Catherine Gerace*	Robert and Sharon Mortensen
Carolyn Ayre*	William and Karen Gibson	Sylvia Myers
Richard Ayre*	W. Herman Gieseler*	Mary Eileen O'Brien*
Gwendolyn M. Bagley*	Mark and Alison Goethe	Howard Ode*
George R. and Dorothy J. Baker*	Roger* and Virginia Gohrband	Edward and Indira Oskvarek
Barbara* and Wayne E. Barrett	James and Priscilla Gorman*	Barbara B. Panian*
Orrin H. and Eleanor L. Barrett*	L. Scott Govitz	Ruth Peele*
Rebecca S. Bastuk	Julius Grosberg*	Faye E. Prescott*
Karl W. and Sandra R. Bauman	Reigh* and June* Gunderson	Mildred* and Mark* Sheldon Putnam
Harry J. Beamish*	Linda Haight	Alex A. and Ashley B. Rapanos
Imogene Beattie*	Dr. Kuno* and Lois Hammerberg*	John S. Reder*
Marian Bebb*	Donal D. and *Sally E. Hammond	Robert B. and Jean W. Reinhart*
Linda and Neil Bell	Francine Heinze*	Ruth M. Rice*
Sharon Brady	Robert L*. and Cheryl K. Johnson	Joseph E.* and Joan H. Rogers
Stuart S. and Katherine Branson*	Sharon Kalina	Hugo L. Schaefer, Jr.*
David and Colleen Bremer	Kevin B. and Jennifer A. Kendrick	Mary E. Smith
William* A. and Sylvia B. Bridge	KennyLou Wold Keskey*	Denise K. Spencer
Veronica Cermak*	Charles Kline*	Sandra Steele
Fern Christenson*	Dennis K. and Jacqueline Klipa	Marvin M. Stein*
Daniel J. and Linda Cline	Sharon L. Sims-Koffman	Betty L. Summerville
Donna Comfort*	Jeff Kroeger	Joann C. and Glen Taylor
Helen M. and Floyd Copus*	Douglas E. Lake*	Terrance and Deborah Temperly
Ronald F. Cornier	Linda and Lester Lamparski	Mary R. Thomas*
Eleanor Currie*	Sue Haske Lane*	Frederic C. Tuttle*
Ruth E. Dangler*	Hal Lange	Mary M. Wilson
Janet Darby and Nicholas Darby	Paul E. and Charlotte Larsen	Lois M. Yack*
Matt and Kathleen Davis	James R. Malek	David and Terri Zimmerman
Greg and Robyn Dorrien	Lawrence* and Eleanor Matthews*	George and Gladys Zubulake
Marion Dudd*	Gerald* T. and Charlotte B. Maxson	
Catherine Elliott*	Michael and Linda McComb	* = deceased
Donald and Marilyn J. Findlay	Marty and Jan McGuire	

...LEGACY

Members of the Legacy Society have chosen to include the community foundation in their estate plans. The goal of the Legacy Society is to recognize and honor members for their foresight, dedication, and philanthropic spirit.

Planned giving does not require a large income or vast estate, only a thoughtful intention to make a difference in your community. To learn more about the Legacy Society, contact us at 989.839.9661.

Pictured: "Main St Glow" in Downtown Midland

Our STAFF



Sharon Mortensen
President & CEO



Dave Kell
Director of Finance



Heather Crowl
Scholarship Coordinator/
Accounting Clerk



Laura Dittenber
Administrative Assistant



Sara JacobsCarter
Youth Action Council Coordinator



Melissa Kesterson
Program Officer



Emily Schafer
Development Officer



Ben Tierney
Communications Officer



Doug Wright
CCAN Coordinator

Your
**COMMUNITY
FOUNDATION**

Our **TRUSTEES**

**FOR GOOD.
FOR EVER.**



L to R: Carol Miller (Vice Chair), Kay Wagner, Jeff Hert, Dave Marsh, Sharon Mortensen (President & CEO), Beth Swift, Duncan Stuart (Chair), Jim Nigro, Michael Rogers, Dick Touvell (Secretary), Rod Coleman (Treasurer)
Not pictured: Mary Gorte, John Hatfield, Katie Horning, Jon Lynch, Angela Sheets



Pictured: 2018 Riverdays Festival



Midland Area Community Foundation

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