COPPER SHORES COMMUNITY
HEALTH FOUNDATION

AUDITED FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

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COMMUNICATIONS SECTION

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PARTNERS
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William C. Sheltrow, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Copper Shores Community Health Foundation
400 Quincy Street, 5th Floor
Hancock, Michigan 49930

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Copper Shores Community Health Foundation (a non-profit organization, the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors of the
Copper Shores Community Health Foundation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Anderson, Tackman & Company, PLC
Certified Public Accountants

July 15, 2026

Copper Shores Community Health Foundation

STATEMENT OF FINANCIAL POSITION

December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 962,482	$ 506,817
Pledges receivable	58,600	26,592
Grants receivable	340,728	169,588
Prepaid expenses	83,927	85,224
TOTAL CURRENT ASSETS	1,445,737	788,221
NON-CURRENT ASSETS:		
Non-current portion of pledges receivable	74,800	99,000
Investment in securities, at fair value	76,139,894	70,730,365
Equity investment	7,952,027	7,952,027
Property and equipment, net	908,171	225,490
Right of use asset - office lease	48,671	127,258
Security deposits	3,875	3,875
TOTAL NON-CURRENT ASSETS	85,127,438	79,138,015
TOTAL ASSETS	$ 86,573,175	$ 79,926,236
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 187,195	$ 71,672
Payroll liabilities	6,837	11,909
Accrued payroll	97,155	73,344
Current portion of long-term debt	5,236	5,021
Current portion of lease obligation - operating	45,042	73,136
Grants payable	1,330,649	839,380
TOTAL CURRENT LIABILITIES	1,672,114	1,074,462
LONG-TERM LIABILITIES:		
Notes payable	66,202	71,371
Non-current portion of grants payable	116,000	20,000
Long-term lease obligations - operating	3,629	54,122
TOTAL LONG-TERM LIABILITIES	185,831	145,493
TOTAL LIABILITIES	1,857,945	1,219,955
NET ASSETS:		
Without donor restrictions	84,047,682	78,081,090
With donor restrictions	667,548	625,191
TOTAL NET ASSETS	84,715,230	78,706,281
TOTAL LIABILITIES AND NET ASSETS	$ 86,573,175	$ 79,926,236

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

Copper Shores Community Health Foundation

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2024 and 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and other support:		
Contributions of cash and other financial assets	$ 42,958	$ 257,809
Contributions of nonfinancial assets	524,833	22,910
Contributions received in the acquisition of Dial Help, Inc.	-	136,541
Government grants and contracts-federal	940,822	397,469
Government grants and contracts-state	382,793	303,881
Special events (net of direct costs of $30,184 and $0)	5,343	2,865
Program income	6,150	110,282
Interest income	9,019	6,762
Investment income-net of fees & taxes	1,857,703	1,681,858
Grant refund	-	14,644
Other income	5,642	651
Gain (loss) on disposal of assets	(852)	-
Unrealized gain (loss) on investment securities	(7,902,178)	6,705,575
Realized gain (loss) on investment securities	15,534,544	648,989
Total revenue and other support	11,406,777	10,290,236
Expenses:		
Program expenses	5,135,785	4,036,187
Management and general expenses	1,568,508	1,430,293
Total expenses	6,704,293	5,466,480
Net assets released from restriction:		
Satisfaction of Community Counseling & Wellness	18,426	94,497
Satisfaction of Victim Support	6,789	388
Satisfaction of Outreach & Education	79,056	15,285
Satisfaction of Giving Tuesday	923,528	617,679
Satisfaction of Bridges	22,080	-
Satisfaction of Nutrition Programming	214,229	38,855
Total net assets released from restriction	1,264,108	766,704
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5,966,592	5,590,460
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	1,273,430	1,099,167
Investment income-restricted	33,035	28,087
Net assets released from restrictions	(1,264,108)	(766,704)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	42,357	360,550
CHANGE IN NET ASSETS	6,008,949	5,951,010
Net assets, beginning of year	78,706,281	72,755,271
NET ASSETS, END OF YEAR	$ 84,715,230	$ 78,706,281

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

Copper Shores Community Health Foundation

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

	Program Services						Supporting Services	
	Nutrition Programming	Victim Support	Outreach & Education	Community Counseling & Wellness	Bridges	Total Program Services	Management and General	Total
EXPENSES:								
Grant awards	$ 35,155	$ 4,819	$ 478,341	$ 1,555,967	$ 16,418	$ 2,090,700	$ -	$ 2,090,700
Personnel costs	970,654	301,001	458,673	260,092	79,741	2,070,161	1,007,428	3,077,589
Food	420,102	-	-	-	-	420,102	-	420,102
Kitchen supplies	53,265	-	-	-	-	53,265	-	53,265
Supplies	-	2,154	9,066	1,272	20,048	32,540	-	32,540
Other program expenses	32,799	-	946	-	3,600	37,345	-	37,345
Advertising and promotion	1,271	1,871	427	-	2,731	6,300	75,910	82,210
Professional fees	-	-	1,392	7,622	-	9,014	190,186	199,200
Office expenses	6,651	11,733	5,970	3,244	3,301	30,899	58,815	89,714
Dues and subscriptions	7,036	6,322	9,244	5,590	1,177	29,369	38,078	67,447
Education/staff and board development	765	6,487	2,319	1,243	1,361	12,175	34,906	47,081
IT maintenance/management	109	282	281	281	-	953	29,570	30,523
Lease expense	11,665	25,443	26,300	-	6,400	69,808	47,740	117,548
Insurance	-	-	-	-	-	-	19,132	19,132
Travel/relationship development	19,608	16,389	17,394	1,015	9,223	63,629	7,326	70,955
Meetings/luncheons	1,466	2,231	3,555	-	12,111	19,363	15,216	34,579
Conference/convention	-	70	925	70	-	1,065	1,615	2,680
Computer hardware/software	198	1,259	1,043	-	694	3,194	15,121	18,315
Depreciation	21,109	6,539	494	-	-	28,142	11,601	39,743
Repairs and maintenance	14,845	-	-	1,230	-	16,075	6,348	22,423
Property taxes	7,291	-	-	-	-	7,291	-	7,291
In-kind expenses	23,160	-	-	-	-	23,160	-	23,160
Interest expense	-	-	-	1,008	-	1,008	2,949	3,957
Utilities	24,528	3,776	3,418	3,866	-	35,588	-	35,588
Small equipment	34,786	185	620	-	-	35,591	-	35,591
Mileage expense	32,017	1,653	1,908	1,922	310	37,810	1,374	39,184
Miscellaneous	17	51	-	-	60	128	5,170	5,298
Event coordination	1,110	-	-	-	-	1,110	23	1,133
TOTAL FUNCTIONAL EXPENSES	$ 1,719,607	$ 392,265	$ 1,022,316	$ 1,844,422	$ 157,175	$ 5,135,785	$ 1,568,508	$ 6,704,293

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

Copper Shores Community Health Foundation

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services						Supporting Services	
	Nutrition Programming	Victim Support	Outreach & Education	Community Counseling & Wellness	Bridges	Total Program Services	Management and General	Total
EXPENSES:								
Grant awards	$ 133,241	$ 211,149	$ 401,267	$ 1,147,905	$ 29,945	$ 1,923,507	$ -	$ 1,923,507
Personnel costs	815,935	208,671	165,707	220,911	24,159	1,435,383	957,325	2,392,708
Food	241,338	-	-	-	-	241,338	-	241,338
Kitchen supplies	52,147	-	-	-	-	52,147	-	52,147
Supplies	-	342	331	-	-	673	-	673
Advertising and promotion	356	3,323	3,535	648	1,777	9,639	112,100	121,739
Professional fees	1,750	1,606	3,687	1,897	-	8,940	124,598	133,538
Office expenses	8,446	8,431	11,157	21,965	3,065	53,064	49,411	102,475
Dues and subscriptions	5,780	3,810	7,104	1,833	1,548	20,075	16,037	36,112
Education/staff and board development	290	7,492	4,812	1,803	-	14,397	24,949	39,346
IT maintenance/management	3,156	5,490	2,547	3,485	-	14,678	10,130	24,808
Lease expense	39,722	19,691	19,220	101	3,200	81,934	43,469	125,403
Insurance	-	4,675	4,279	2,693	-	11,647	15,927	27,574
Travel/relationship development	313	5,356	553	2,718	332	9,272	14,027	23,299
Meetings/luncheons	110	2,162	1,231	705	1,212	5,420	11,209	16,629
Conference/convention	-	2,515	1,521	104	-	4,140	8,188	12,328
Computer hardware/software	-	-	-	-	25	25	16,082	16,107
Depreciation	6,281	-	-	3,433	-	9,714	10,496	20,210
Repairs and maintenance	4,366	52	-	-	-	4,418	894	5,312
In-kind expenses	22,910	-	-	-	-	22,910	-	22,910
Interest expense	-	-	-	3,143	-	3,143	122	3,265
Utilities	11,559	2,393	2,114	1,876	-	17,942	-	17,942
Small equipment	35,496	-	-	-	-	35,496	-	35,496
Mileage expense	38,978	4,231	2,170	9,994	269	55,642	2,064	57,706
Miscellaneous	-	128	107	116	-	351	2,957	3,308
Event coordination	-	-	292	-	-	292	10,308	10,600
TOTAL FUNCTIONAL EXPENSES	$ 1,422,174	$ 491,517	$ 631,634	$ 1,425,330	$ 65,532	$ 4,036,187	$ 1,430,293	$ 5,466,480

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

Copper Shores Community Health Foundation

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$6,008,949	$5,951,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	39,743	20,210
Non-cash donation of building and land, including closing costs	(503,646)	-
(Gain) Loss on disposal of assets	852	-
(Increase) Decrease in prepaid expenses	1,297	(61,017)
(Increase) Decrease in pledges receivable	(7,808)	12,180
(Increase) Decrease in grants receivable	(171,140)	(169,588)
(Increase) Decrease in other receivables	-	1,357,234
(Increase) Decrease in right of use asset-office lease	78,587	42,377
(Increase) Decrease in security deposits	-	(3,875)
Increase (Decrease) in accounts payable	115,523	26,929
Increase (Decrease) in grants payable	587,269	(114,547)
Increase (Decrease) in accrued payroll liabilities	(5,072)	9,807
Increase (Decrease) in accrued payroll	23,811	28,655
Increase (Decrease) in lease obligation-operating	(78,587)	(42,376)
Investment income, net of fees & taxes	(1,857,703)	(1,681,851)
Net unrealized and realized gains on investment accounts	(7,665,401)	(7,382,651)
Total Adjustments	(9,442,275)	(7,958,513)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,433,326)	(2,007,503)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment returns withdrawn for operations	4,118,574	1,700,000
Investment management fees	(5,000)	(30,000)
Fixed assets received in acquisition of Dial Help, Inc.	-	(136,644)
Purchase of fixed assets and construction in progress	(219,629)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,893,945	1,533,356
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of line of credit	-	(25,000)
Repayment of line of credit	-	25,000
Proceeds from long-term debt	-	79,932
Repayment of long-term debt	(4,954)	(3,540)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(4,954)	76,392
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	455,665	(397,755)
Cash and cash equivalents, beginning of year	506,817	904,572
CASH AND CASH EQUIVALENTS, END OF YEAR	$962,482	$506,817
NON CASH INVESTING ACTIVITIES		
Non-cash contribution of building and land, including closing costs	$503,646	$0
Non-cash contributions	$23,160	$22,910
Interest expense	$3,957	$3,265

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

COPPER SHORES COMMUNITY HEALTH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A – ORGANIZATION:

Nature of Business

Copper Shores Community Health Foundation (the Foundation) formally changed is name from Portage Health Foundation as of June 6, 2023. Copper Shores Community Health Foundation is a Michigan non-profit corporation. It's charitable purpose is to make grants, scholarships, donations, program or mission-related investments, and other similar expenditures in furtherance of its mission. Copper Shores Community Health Foundation's mission is to positively influence a healthier community through enhanced philanthropy and community collaboration.

Business Acquisitions

On April 1, 2023 Dial Help, Incorporated merged with and into Copper Shores Community Health Foundation. The primary reason for the merger was because the board of directors of each organization realized that the Foundation would be better able to financially support the mental health needs of the community. The assets and liabilities of Dial Help, Inc. were contributed and assumed by Copper Shores, the net of which has been recorded as contribution revenue in the amount of $136,541.

The following is a brief description of the Foundation's programs:

Community Counseling & Wellness - The Foundation provides outpatient counseling, mental health concierge services, and prevention and mental health wellness education support for individuals and families, including those recovering from sexual assault, violent crimes, and other trauma.

Nutrition Programming - Improving access to locally grown and healthful food within our community as well as educational resources and tools to promote sustainable changes to eating and lifestyle habits for all. Meals on Wheels program provides home-delivered and congregate meal services designed to provide 33 percent of the daily nutritional requirements of individuals.

Outreach & Education - The Foundation uses evidence-based training and programming to educate copper country residents of all ages on a variety of topics. The program offers training to address substance abuse prevention, suicide prevention, parenting classes and training's with community partners to assist first responders, as well as follow up for individuals at risk of suicide and family support services.

Victim Support - Supports victims of any crime. Resources provided include Child Advocacy Center to minimize trauma to the child during the process of child abuse investigations, suicide survivors on call support to those in the community who lose someone to suicide and sexual assault response for victims of sexual assault, including specially trained nurses.

Bridges - Assisting community members struggling with poverty. The Foundation provides a free 16-week program to assist individuals in improving stability, workshops to educate the community about the complexities of poverty, and in-depth personal financial coaching.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation
The financial statements of Copper Shores Community Health Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Basis of Presentation
Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's Board of Directors ("the Board") may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The change in net assets with donor restrictions as of December 31, 2024 and 2023 are as follows:

	2024	2023
Beginning balance	$625,191	$264,641
Additional restricted donations	1,273,430	1,099,167
Restricted investment income	33,035	28,087
Amount released from restrictions	(1,264,108)	(766,704)
Ending balance	$667,548	$625,191

Cash and Cash Equivalents
Cash and cash equivalents are comprised of demand deposits and time deposits with original maturities of three months or less. The carrying value of cash and cash equivalents approximates fair market value because of the short maturities of those financial statements.

Property and Equipment
Capital purchases are comprised of building, land, furniture, fixtures, equipment, software, building improvements, leasehold improvements, etc. that meet two criteria: 1) a useful life of more than one year, and 2) cost more than $2,500, the threshold determined by the Board. Capital assets are recorded using cost basis if purchased, and fair value if donated. Provisions for depreciation are computed using the straight-line method, based on the estimated useful lives of the related assets as follows:

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Class of Property	Useful Life (in Years)
Buildings and improvements	15-39
Leasehold improvements	7-40
Furniture and equipment	5-15

Depreciation expense for each of the years ending December 31, 2024 and 2023 was $39,743 and $20,210.

Investments
Investments consist primarily of assets invested in money market funds, mutual funds and exchange traded funds. Investments in marketable securities are reported at fair value in the statements of financial position. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is included in the statements of activities as increases (decreases) in net assets without donor restrictions. Investments received as gifts are recorded at fair value at the time of the donation and sold as soon as possible. Investment income or loss are presented net of foreign taxes of $21,602 and $11,605 paid during the years ended December 31, 2024 and 2023, respectively.

The Foundation's investment securities are subject to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Revenue Recognition
Contributions of Cash and Other Financial Assets - Contributions are either unconditional or conditional, depending on whether a gift both (1) specifies a "barrier or hurdle" that the recipient must overcome to be entitled to the resources, and (2) releases the donor from its obligation to transfer resources (or if assets are advanced, a right to demand their return) if the barrier or hurdle is not achieved. An agreement that contains both is a conditional contribution. An agreement that omits one or both is unconditional. Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated asset.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions of Nonfinancial Assets - Donated volunteer services are in the form of unpaid volunteers who assist the Foundation in carrying out its purpose, mostly for activities related to crime victim services, crisis unit and meal deliveries. Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, and (c) require specialized skills and are provided by individuals possessing those skills. Donated services, including volunteer hours, that do not meet the criteria for recognition in the financial statements totaled $1,812 and $5,604 for the fiscal years ending December 31, 2024 and 2023.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

For the years ended December 31, 2024 and 2023, contributions of nonfinancial assets recognized within the statement of activities and changes in net assets included:

	2024	2023
Donated use of facilities	$23,160	$22,910
Real estate (bargain purchase)	601,673	-
TOTAL	$524,833	$22,910

On April 19, 2024, the Foundation acquired two parcels of real estate located in Hancock, Michigan, through a bargain purchase transaction. The property, which includes land and a building, was purchased for $1. Based on the State Equalized Value (SEV) of $250,837 and applying a standard multiplier of 2.0 (commonly used to approximate market value in the state of Michigan), the fair value of the property was estimated at $501,674. The resulting difference of $501,673 was recognized as a contribution of nonfinancial assets in the statement of activities and changes in net assets.

No external appraisal was obtained; therefore, management used the SEV method to estimate fair value based on local real estate practices. The property is not subject to any donor-imposed restrictions and is currently held for program use.

Government Grants and Contracts - The Foundation's revenues from Federal and State government grants and contracts are generally recognized as services are provided.

Program Services - Revenues from contracts with customers consist of crisis intervention, outpatient counseling, family support, student success coaching, and victim assistance service fees recorded as program service revenue. Revenue is recognized when control of the promised good or service is transferred to customers, in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those goods or services.

The crisis intervention, outpatient counseling, family support, and victim assistance services are primarily contracted by local schools to support youth who are not able to access these services by other means due to insurance, financial, or other barriers. The Foundation also provides on-call sexual assault nurse examiner (SANE) nursing services to local hospitals. Each contract typically has a duration of one year.

The services are considered to be a single performance obligation. Performance obligations are satisfied at a point in time at which the service is provided. The transaction price is determined based on the hourly rate outlined within each contract.

Grants Payable

Grant expenditures are accrued when they are approved by the Board. Grants payable consist of $1,330,649 payable in 2025 and $116,000 payable in 2026 and beyond, as presented in the statements of financial position.

Leases

Under ASC 842, the Foundation determines if a contract is a leasing arrangement at inception. If an arrangement contains a lease, the Foundation performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Operating and finance lease liabilities are recognized on the commencement date of the lease based on the present

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Finance ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Foundation uses the implicit rate when readily determinable. The Foundation has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities and changes in net assets.

Income Taxes
The Foundation is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Form 990 is filed with the Internal Revenue Service. The Foundation believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial position, results of activities, or cash flows. The Foundation's returns are generally no longer subject to examination by the Internal Revenue Service for years before 2021.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising
Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2024 and 2023 were $82,210 and $121,739, respectively.

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 July 15, 2026, of the accompanying independent auditor's report, which is the date the financial statements were available to be issued.

On May 22, 2025, the Michigan Attorney General designated Copper Shores Community Health Foundation as the recipient of $21,786,091 in charitable funds arising from the Foundation's 2013 joint venture with Lifepoint Holdings, LLC, a subsidiary of Lifepoint Hospitals. Pursuant to the 2013 contribution agreement, the joint venture was required to expend $60 million in capital commitments within 10 years of closing the transaction, or pay any shortfall to a local charitable healthcare foundation designated by the Department of Attorney General. The $21,786,091 represents the joint venture's shortfall of it's capital commitment. As of the date of the financial statements, no payment has been received by the Foundation for these charitable funds; however, management believes it is more than likely that they will receive the funds in full despite the undeterminable timing of the receipt.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Foundation has financial assets consisting of cash and cash equivalents and investments available within one year of the statements of financial position date of December 31, 2024 and 2023, to meet cash needs for general expenditures. These financial asset are comprised as follows:

	2024	2023
Cash and cash equivalents	$962,482	$506,817
Contributions and grants receivable	474,128	295,180
Investments	76,139,894	70,730,365
Total financial assets	77,576,504	71,532,362
Less: amounts restricted for certain purposes	(667,548)	(625,191)
Financial assets available to meet cash needs for general expenditures	$76,908,956	$70,907,171

Donor restricted pledges receivable are subject to implied time restrictions, the portion of which is expected to be collected within one year are classified as current on the statements of financial position. The Foundation maintains financial assets consisting of cash and cash equivalents on hand to meet 60 days of normal operating expenses, which are on average, approximately $1,014,000. The Board approves an annual budget that allows withdrawal of investment returns for current operations. In doing so, the Foundation structures financial assets to be available as general expenditures and liabilities become due.

NOTE D – CASH:

Custodial Credit Risk - Deposits
Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts (currently $250,000 per depositor). At December 31, 2024 and 2023, the Foundation had the following book and bank balances of cash and cash equivalents and the amounts uninsured and insured by the FDIC are outlined in the table below.

	2024	2023
Cash - book balance	$ 962,482	$ 506,817
Cash - bank balance	$ 738,331	$ 454,330
Cash - not insured or collateralized	$ 488,331	$ 152,168
Cash - FDIC insured	$ 250,000	$ 302,162

NOTE E – PLEDGES RECEIVABLE:

In 2016 the Foundation, along with local law enforcement agencies, announced a community-wide partnership formed to financially support an increased Upper Peninsula Substance Enforcement Team, known as UPSET West. The team will provide an increased level of narcotics enforcement to combat the growth of drug abuse and drug-related crime in the region. There are unconditional promises to give in support of this partnership. An unconditional promise is a promise to give that depends only on the passage of time or demand by the promise for performance. There is no allowance for doubtful pledges, as all outstanding pledges are considered collectible. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are normally recorded at present value of their estimated future

NOTE E – PLEDGES RECEIVABLE (Continued):

cash flows, however, the Foundation has not made the adjustments for estimated future cash flows because it determines the amounts to be immaterial to the financial statements.

During the fiscal year ending December 31, 2021, the Foundation received a pledge to establish a permanent endowment fund. The details to this endowment are included in Note J.

Unconditional promises to give consist of the following as of December 31, 2024:

	< 1 Year	1-5 Years	> 5 Years
UPSET West	$ 48,600	$ 34,800	$ -
Endowment fund receivable	10,000	40,000	-
TOTAL	$ 58,600	$ 74,800	$ -

NOTE F – INVESTMENT SECURITIES:

The Foundation has established an investment policy, approved by the Board of Directors. The policy states that the purpose of the Foundation's investment portfolio is to provide support for operations as well as providing capital for mission related expenditures. The investment policy is based on a diversified portfolio structured to be consistent with the Foundation's investment objectives and risk tolerances in a way that efficiently balances the tradeoff between return, risk and liquidity

The cost, fair value, and unrealized appreciation (depreciation) of investment securities at December 31, 2024 are as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	$3,439,295	$3,439,295	$-
Mutual funds	48,439,306	50,844,413	2,405,107
Exchange traded funds	2,328,055	21,856,186	19,528,131
TOTAL	$54,206,656	$76,139,894	$21,933,238

The cost, fair value, and unrealized appreciation (depreciation) of investment securities at December 31, 2023 are as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	$4,905,609	$4,905,609	$-
Mutual funds	37,129,955	49,809,594	12,679,639
Bonds	16,092,495	16,015,162	(77,333)
TOTAL	$58,128,059	$70,730,365	$12,602,306

NOTE F – INVESTMENT SECURITIES (Continued):

The following schedule summarizes the Foundation's return on long-term investments and its classification in the statement of activities and changes in net assets for the years ended December 31, 2024 and 2023:

	2024	2023
Interest and dividends	$ 1,939,305	$ 1,711,858
Investment management fees	(60,000)	(30,000)
Foreign taxes	(21,602)	-
TOTAL	$ 1,857,703	$ 1,681,858

NOTE G – FAIR VALUE MEASUREMENTS:

The Financial Accounting Standards Board ("FASB") issued ASC Topic 820 which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Assets and liabilities, subject to the standard, measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets.

The following tables present information about the Foundation's investments measured at fair value on a recurring basis.

NOTE G – FAIR VALUE MEASUREMENTS (Continued):

	Fair Value at December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 3,439,295	$ -	$ 3,439,295	$ -
Mutual funds	50,844,413	50,844,413	-	-
Exchange traded funds	21,856,186	21,856,186	-	-
TOTAL	$ 76,139,894	$72,700,599	$ 3,439,295	$ -

	Fair Value at December 31, 2023			
	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 4,905,609	$ -	$ 4,905,609	$ -
Mutual funds - bonds	16,015,162	16,015,162	-	-
Mutual funds - stocks	49,809,594	49,809,594	-	-
TOTAL	$ 70,730,365	$65,824,756	$ 4,905,609	$ -

NOTE H – EQUITY INVESTMENT:

The Foundation uses the equity method to account for investments in companies if the investment provides the Foundation the ability to exercise significant influence over operating and financial policies of the investee. The Foundation's judgment regarding the level of influence over each equity method investment includes considering key factors such as ownership interest, representation on the board of directors and participation in policy-making decisions.

On December 1, 2013, the entities of Portage Health, Inc., Copper Country Apothecaries, Inc., Portage Physician Practices, Inc., Portage Home Health, Portage Hospice, Portage Pointe, LifePoint Holdings, LLC, and Portage Holding Company, LLC (hereinafter referred to as the "Joint Venture") became parties to a Joint Venture Contribution Agreement to operate a community hospital. As part of the transaction, Portage Health, Inc., Copper Country Apothecaries, Inc., and Portage Physician Practices, Inc. contributed certain assets, primarily Portage Health Hospital, to the Joint Venture in exchange for cash consideration and all of the Class A Units of the Joint Venture.

Upon completion of the joint venture transaction, Portage Health, Inc. assigned the units and cash received to the Foundation to be administered under the charitable agreed purpose specified in the Charitable Assets Agreement between the Michigan Department of Attorney General and the Foundation. The Class A Units represent a 20% equity interest in the Joint Venture, which had been accounted for under the equity method of accounting prior to fiscal year 2020. During fiscal year 2020, the Foundation determined that it no longer possessed the ability to exercise significant influence over the joint venture's operating and financial policies, thus the investment in the joint venture will be recorded prospectively under the cost method of accounting. By switching to the cost method of accounting from the equity method of accounting, any earnings or losses that relate to the ownership retained by the Foundation that were previously accrued shall remain as part of the carrying amount of the investment in the joint venture.

NOTE H – EQUITY INVESTMENT (Continued):

ASC 321-10-35-2 states that an entity may elect to measure an equity investments without a readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. The joint venture equity investment will be measured at cost due to the lack of observable price changes in orderly transactions for identical or similar investments of the same issuer.

Condensed financial information from the unaudited financial statements of the Joint Venture as of the last date to which the Foundation determined that it possessed the ability to exercise significant influence over the joint venture's operating and financial policy is as follows:

Summary of Consolidated Balance Sheets

		3/31/2020
Assets		
Current assets	$	13,060,422
Noncurrent assets		46,946,027
Total assets	$	60,006,449
Liabilities and Equity		
Current liabilities	$	5,199,186
Noncurrent liabilities		15,047,128
Equity		39,760,135
Total liabilities and equity	$	60,006,449

Summary of Consolidated Income Statements

		2020
Revenue	$	18,185,226
EBITDA	$	1,604,842
Net income (loss)	$	304,919
Foundation's Equity (20% of above Equity)	$	7,952,027

During 2017, the Foundation notified the joint venture that it intends to exercise its put option to sell its interest in the joint venture. There are several steps to this process, including having an audit of the joint venture, obtaining an appraisal of the fair market value of the joint venture, and other conditions of the put agreement that must be satisfied in order to complete the proposed sale.

The carrying value of $7,952,027 was the value of the investment using the equity method as of 3/31/20, which was the final date at which the Foundation determined it possessed the ability to exercise significant influence over the Joint Venture's operating and financial policies.

The fair value of the Joint Venture has not been estimated after 3/31/20, as there are no events or changes in circumstances that may have a significant adverse effect on the fair value and it is not practicable to estimate the fair value.

NOTE I – PROPERTY AND EQUIPMENT:

A summary of the changes in property and equipment is as follows:

	Balance 12/31/2023	Additions	Subtractions	Balance 12/31/2024
Land	$ 10,000	$ 90,867	$ -	$ 100,867
Construction in progress	-	145,150	-	145,150
Buildings	100,522	412,779	-	513,301
Building improvements	106,008	-	-	106,008
Leasehold improvements	46,837	-	-	46,837
Furniture and equipment	245,264	74,479	119,259	200,484
	508,631	723,275	119,259	1,112,647
Less: accumulated depreciation	(283,141)	(39,743)	(118,408)	(204,476)
TOTAL	$ 225,490	$ 683,532	$ 851	$ 908,171

	Balance 12/31/2022	Additions	Subtractions	Balance 12/31/2023
Land	$ 10,000	$ -	$ -	$ 10,000
Buildings	100,522	-	-	100,522
Building improvements	106,008	-	-	106,008
Leasehold improvements	46,837	-	-	46,837
Furniture and equipment	245,264	-	-	245,264
	508,631	-	-	508,631
Less: accumulated depreciation	(262,931)	(20,210)	-	(283,141)
TOTAL	$ 245,700	$ (20,210)	$ -	$ 225,490

NOTE J – ENDOWMENT FUNDS:

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the Michigan Uniform Prudent Management of Institutional Funds Act (MIUPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Foundation's Board of Directors has interpreted MIUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted MIUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

NOTE J – ENDOWMENT FUNDS (Continued):

Additionally, in accordance with MIUPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
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. Other resources of the organization
7. The investment policies of the Foundation.

The board has entered into a fiscal agent agreement with the Ontonagon County Cancer Association (OCCA), an Ontonagon, Michigan based non-profit organization to support cancer related services, screenings, wellness and health related support services within Ontonagon County. The Foundation has agreed to receive and hold all funds specific to the support of the OCCA, and together with any net income earned on the investment of these funds, establish a restricted account to hold the funds and to make funds available for distribution upon receipt of invoices from OCCA. Contributions from OCCA to the Foundation and investment earnings of the funds are recorded in net assets with donor restrictions.

During the fiscal year 2021, the Foundation received a pledge to set up a permanent endowment scholarship fund. One-hundred percent of the annual distributions from the fund, net of applicable administrative fees, will be available to eligible graduates of the Ontonagon Area High School, located in Ontonagon Michigan. The donor, intends to make $10,000 annual cash contributions, of which, $6,000 will be applied to the endowment each year until such time that the endowment can support the issuance of $2,000 scholarships, or reaches a principal value of no less than $50,000 in the principal corpus of the fund.

On January 3rd, 2023, the Foundation entered into an agreement to establish a permanent endowment fund to support cancer care patient transportation. One hundred percent of the annual distribution from the fund, net of the administrative fee applicable to this portion of the fund, will be used to support the funding of transportation services for patients requiring excessive or financially burdensome travel for cancer related medical care and treatment. The fund is named "Keller Family Community Foundation Ride with Claudia Cancer Transportation Fund", and will be made available to confirmed residents of Baraga, Houghton, Keweenaw and Ontonagon counties that are receiving cancer related medical care and treatment. The fund shall be used to purchase $150 gas only gift cards, provide subsidy for other forms of regularly available commercial and private transportation fees, and purchase ride-vouchers needed to access medical transportation services deemed appropriate to supporting cancer patients in accessing necessary medical care. Patients are limited to no more than two subsidies per 12 month period as determined by financial need. The Foundation shall distribute so much of the assets of the fund as the Foundation deems appropriate, in accordance with its investment and distribution policies.

NOTE J – ENDOWMENT FUNDS (Continued):

Endowment net assets consisted of the following as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	TOTAL
Endowment net assets, beginning of year	$ -	$ 251,499	$ 251,499
Donor-restricted endowment funds, perpetual in duration-original gift amount	-	4,000	4,000
Investment returns:	-	31,136	31,136
Donor-restricted			
Appropriation of endowment assets for expenditure	-	(3,900)	(3,900)
Endowment net assets, end of year	$ -	$ 282,735	$ 282,735

Endowment net assets consisted of the following as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	TOTAL
Endowment net assets, beginning of year	$ 16,362	$ 125,669	$ 142,031
Prior period adjustment:			
Reclassifying restricted investment earnings	(16,362)	19,931	3,569
Donor-restricted endowment funds, perpetual in duration-original gift amount	-	90,850	90,850
Investment returns:			
Donor-restricted	-	28,087	28,087
Appropriation of endowment assets for expenditure	-	(13,038)	(13,038)
Endowment net assets, end of year	$ -	$ 251,499	$ 251,499

Commingling of Funds

It is the policy of the Board of Directors that the Foundation may commingle the assets of the endowment funds for investment purposes with the assets of any other fund or funds which the Foundation holds and administers, provided that the separate identity of the endowment fund, and the distributions therefrom, are at all times maintained. Earnings will be calculated on a yearly basis in accordance with the Foundation's established fiscal year.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Foundation to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2024 and 2023. The Foundation has interpreted Michigan Uniform Prudent Management of Institutional Funds Act (MIUPMIFA) and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

NOTE J – 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. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested with the objective of earning a net annualized return of 8.0%. Asset allocations are targeted to produce expected returns consistent with this target using long term historical returns of assets classes as a guide. Actual returns in any given year may vary from this amount.

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 (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on long-term 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 total return spending policy approved by the Board of Directors that allows the operating fund to receive and recognize investment earnings originating from the endowment funds. The Board of Directors approved spending policy during a normal capital market and operating environment with an annual distribution amount of 4.00% to be determined using a 4-year moving average which shall be calculated using the average trailing 16 quarter-end general fund portfolio closing market values as of September 30th of the current calendar year; "average" is the total sum of 16 most recent quarter-end general fund portfolio market values divided by 16. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE K – ACCUMULATED PAID TIME OFF:

Regular, full-time employees are eligible for paid time off (PTO). New hires begin accruing PTO hours each pay period according to the following schedule:

1 year of service:	15 days/year (.0577 hours per pay period)
2-4 years of service:	20 days/year (.077 hours per pay period)
5+ years of service:	25 days/year (.0961 hours per pay period)

PTO does not carry over from one year to the next. Therefore, any unused PTO at the end of an employee's anniversary year is forfeited without pay.

NOTE L – LONG-TERM DEBT:

The Foundation's long-term debt consists of a mortgage with Range Bank in the amount of $71,438 as of December 31, 2024. The mortgage is being repaid in monthly installments of $742.65, including interest at a fixed rate of 5.25% over a 5-year term, with a scheduled balloon payment due on June 19, 2027. The mortgage is secured by the Foundation's property and other assets.

NOTE L – LONG-TERM DEBT (Continued):

Principal amounts due on long-term debt as of the fiscal year end in the future are as follows:

2025	$	5,236
2026		5,522
2027		60,680
TOTAL		$71,438

NOTE M – ALLOCATION OF FUNCTIONAL EXPENSES:

The costs of providing grants, donations, meal delivery and scholarships have been summarized on a functional basis in the statement of activities and changes in net assets and detailed in the statement of functional expenses. Expenses are directly attributed to the program or supporting functions. All other general expenses are allocated to management functions of the organization. Fundraising expenses are directly identifiable and are charged to their applicable functional category.

NOTE N – RETIREMENT PLAN:

The Foundation established the Copper Shores Community Health Foundation 401(k) Plan effective September 1, 2014. Eligible participants may make elective deferral contributions and receive matching and profit sharing contributions on the first day of each plan quarter, coincident with or next following the date the employee attains age 18, and completes 480 hours of service in a 3-month period, provided the employee is still employed at the end of that period. If the service requirement is not met in the first consecutive period of months, the employee will be eligible to participate upon completion of one year of service with a minimum of 1,000 hours. Matching the contributions, profit sharing contributions, and qualified non-elective contributions are determined at the discretion of the Foundation. Profit sharing contributions of 8% of compensation were made on behalf of eligible participants for the Plan years ending December 31, 2024 and 2023, with retirement expenses totaling $147,296 and $121,726, respectively.

NOTE O – OPERATING LEASES:

The Foundation currently leases office space under updated operating agreements. Determination if an arrangement is a lease is made at the inception of a contract, and recognized operating lease expense on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed on a straight-line basis.

NOTE O – OPERATING LEASES (Continued):

Operating lease right-of-use assets and lease liabilities as of December 31, 2024 and 2023 are as follows:

	2024	2023
Right-of-use assets:		
Operating lease assets	$48,671	$127,258
Lease liabilities:		
Current operating lease liabilities	45,042	73,136
Noncurrent operating lease liabilities	3,629	54,122
Total operating lease liabilities	$48,671	$ 127,258

Components of lease expense for the years ended December 31, 2024 and 2023, was as follows:

	2024	2023
Operating lease expense	$ 72,843	$ 92,644
Short-term lease expense	44,705	32,759
TOTAL	$ 117,548	$ 125,403

SUPPLEMENTARY INFORMATION

Copper Shores Community Health Foundation

STATEMENTS OF OPERATING RESOURCES
AND EXPENSES - MODIFIED CASH BASIS
COMPARED TO BUDGET

For the Years Ended December 31, 2024 and 2023

	2024		2023	
	Actual	Budget	Actual	Budget
RESOURCES				
Revenues				
Contributions without donor restrictions	$ 567,791	$ 50,000	$ 1,712,850	$ 741,000
Contributions with donor restrictions - cash basis	1,265,622	750,000	1,146,547	1,019,000
Grants refunded	-	-	14,644	-
Federal grants	733,722	577,616	369,535	357,418
State grants	418,753	372,551	200,747	-
Program revenue	6,150	923,389	110,282	197,321
Other income	5,642	-	651	-
Event contributions	35,527	-	2,865	-
Other Resources				
Investment returns withdrawn for current operations	4,118,574	3,318,070	1,700,000	2,809,280
TOTAL RESOURCES	7,151,781	5,991,626	5,258,121	5,124,019
PROGRAM EXPENSES				
Grant awards without donor restrictions - cash basis	633,651	1,739,000	1,222,591	2,851,000
Grant awards with donor restrictions - cash basis	869,780	275,000	808,127	111,000
Total Grant Awards	1,503,431	2,014,000	2,030,718	2,962,000
Personnel Costs				
Salaries & wages	1,314,756	1,208,440	926,401	624,500
Health Insurance	534,879	300,000	342,600	156,000
401(k) plan	88,726	96,675	69,094	33,657
Life & disability insurance	21,444	27,600	15,915	7,250
Payroll tax expense	110,356	105,000	81,373	50,324
Total Personnel Costs	2,070,161	1,737,715	1,435,383	871,731
Advertising and Promotion				
Promotion/advertising/sponsor	5,675	20,000	7,320	-
Graphic design/production	625	12,500	1,700	-
Web design/maintenance	-	-	619	-
Total Advertising and Promotion	6,300	32,500	9,639	-
Professional Fees				
Audit	-	-	5,180	-
Accounting	-	-	2,660	-
Consultants	9,014	-	600	-
Purchased services	-	-	500	-
Total Professional Fees	9,014	-	8,940	-
Office Expenses				
Postage and mailing services	1,167	-	592	1,000
Printing and copying	273	-	215	-
Office supplies	15,572	-	36,327	5,000
Telephone/internet	13,128	-	15,324	-
Bank service charges	759	-	606	-
Total Office Expenses	30,899	-	53,064	6,000

Copper Shores Community Health Foundation

STATEMENTS OF OPERATING RESOURCES
AND EXPENSES - MODIFIED CASH BASIS
COMPARED TO BUDGET

For the Years Ended December 31, 2024 and 2023

	2024 Actual	2024 Budget	2023 Actual	2023 Budget
Other Expenses				
Food supplies	$ 420,102	$ 302,400	$ 241,338	$ -
Kitchen supplies	53,265	-	52,147	-
Supplies	32,540	40,000	673	-
Other program expenses	37,345	-	-	-
Dues and subscriptions	29,369	10,000	20,075	-
Education/staff and board development	12,175	20,000	14,397	-
Rent Expense	69,808	80,000	81,934	-
Travel/relationship development	63,629	-	9,272	-
IT maintenance/management	953	12,000	14,678	-
Repairs and maintenance	16,075	15,000	4,418	-
Insurance	-	-	11,647	-
Interest expense	1,008	-	3,143	-
Meetings/luncheons	19,363	-	5,420	-
Conference/convention	1,065	-	4,140	-
Depreciation	28,142	-	9,714	-
Property taxes	7,291	-	-	-
In-Kind	23,160	20,000	22,910	-
Utilities	35,588	40,000	17,942	-
Computer hardware/software	3,194	-	25	-
Small equipment	35,591	-	35,496	-
Mileage	37,810	50,000	55,642	-
Event coordination	1,110	-	292	-
Miscellaneous	128	-	351	50,000
Total Other Expenses	928,711	589,400	605,654	50,000
TOTAL PROGRAM EXPENSES	4,548,516	4,373,615	4,143,398	3,889,731
MANAGEMENT AND GENERAL EXPENSES				
Personnel Costs				
Salaries & wages	703,693	720,524	695,942	539,231
Health insurance	172,488	264,000	133,325	156,000
401(k) plan	58,570	57,487	52,632	42,220
Life & disability insurance	13,567	11,000	10,730	9,500
Professional recruitment	5,350	-	-	-
Payroll tax expense	53,760	63,000	64,696	43,537
Total Personnel Costs	1,007,428	1,116,011	957,325	790,488
Advertising and Promotion				
Promotion/advertising/sponsor	67,100	60,000	72,848	50,000
Graphic design/production	3,000	10,000	12,438	20,000
Photography	600	-	-	-
Web design/maintenance	5,210	10,000	26,814	10,000
Total Advertising and Promotion	75,910	80,000	112,100	80,000
Professional Fees				
Legal	75,093	40,000	50,724	25,000
Accounting	81,654	15,000	40,016	20,000
Investment management	60,000	55,000	30,000	30,000
Retirement fund management fees	2,670	2,000	2,270	1,500
Consultants	21,679	85,000	21,395	-
Audit	9,090	5,000	10,193	5,000
Total Professional Fees	250,186	202,000	154,598	81,500

Copper Shores Community Health Foundation

STATEMENTS OF OPERATING RESOURCES
AND EXPENSES - MODIFIED CASH BASIS
COMPARED TO BUDGET

For the Years Ended December 31, 2024 and 2023

	2024		2023	
	Actual	Budget	Actual	Budget
Office Expenses				
Postage and mailing	$ 2,476	$ 5,000	$ 2,515	$ 2,000
Printing and copying	622	4,000	310	3,000
Office supplies	40,073	15,000	24,969	6,000
Telephone/internet	6,169	10,000	6,231	14,300
Bank service charges	9,475	10,000	15,386	-
Total Office Expenses	58,815	44,000	49,411	25,300
Other Expenses				
Interest expense	2,949	-	122	-
Dues and subscriptions	38,078	15,000	16,037	15,000
Education/staff and board development	34,906	10,000	24,949	25,000
IT maintenance/management	29,570	11,000	10,130	10,500
Rent expense	47,740	35,000	43,469	85,000
Liability insurance	19,132	15,000	15,927	15,000
Travel/relationship development	7,326	10,000	14,027	10,000
Conference/convention	1,615	-	8,188	-
Meetings/luncheons	15,216	5,000	11,209	10,000
Computer hardware/software	15,121	15,000	16,082	10,000
Depreciation	11,601	15,000	10,496	12,500
Utilities	-	-	-	10,500
Repairs and maintenance	6,348	-	894	-
Investment account fees	-	-	-	1,000
Mileage expense	1,374	5,000	2,064	-
Miscellaneous	5,170	-	2,957	-
Event coordination	23	40,000	10,308	52,500
Total Other Expenses	236,169	176,000	186,859	257,000
TOTAL MANAGEMENT AND GENERAL EXPENSES	1,628,508	1,618,011	1,460,293	1,234,288
FUNDRAISING EXPENSES				
Annual gala expenses	60,368	-	-	-
TOTAL FUNDRAISING EXPENSES	60,368	-	-	-
TOTAL EXPENSES	6,237,392	5,991,626	5,603,691	5,124,019
NET OPERATING RESOURCES/(EXPENSES)	$ 914,389	$ -	$ (345,570)	$ -

Copper Shores Community Health Foundation

SCHEDULE OF GRANT AWARDS PAYABLE

For the Year Ended December 31, 2024

	Community Counseling & Wellness	Outreach & Education	Nutrition Programming	Total
GRANTS PAYABLE AT BEGINNING OF YEAR	$ 834,380	$ 25,000	$ -	$ 859,380
Pledged Awards	1,550,654	476,700	35,000	2,062,354
Payments	(1,160,885)	(279,200)	(35,000)	(1,475,085)
GRANTS PAYABLE AT END OF PERIOD	1,224,149	222,500	-	1,446,649
Payment Schedule:				
2025	$ 1,224,149	$ 106,500	$ -	$ 1,330,649
2026	$ -	$ 104,000	$ -	$ 104,000
2027	$ -	$ 4,000	$ -	$ 4,000
2028-2030	$ -	$ 8,000	$ -	$ 8,000

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

Copper Shores Community Health Foundation

SCHEDULE OF DONOR RESTRICTED NET ASSETS

For the Year Ended December 31, 2024

	Community Counseling & Wellness	Victim Support	Outreach & Education	Bridges	Nutrition Programming	Admin/Other	Total
DONOR RESTRICTED NET ASSETS AT BEGINNING OF YEAR	$ 295,811	$ 16,275	$ 124,649	$ 11,651	$ 174,933	$ 1,872	$ 625,191
CHANGES IN DONOR RESTRICTED NET ASSETS							
Contributions	1,022,861	3,111	29,056	18,472	162,730	-	1,236,230
Investment income	29,504	-	3,531	-	-	-	33,035
New pledges promised in 2024:							
2025	20,800	-	-	-	-	-	20,800
2026	5,800	-	-	-	-	-	5,800
2027	5,300	-	-	-	-	-	5,300
2028	5,300	-	-	-	-	-	5,300
Net assets released from restriction:							
Satisfaction of Community Counseling & Wellness	(18,426)	-	-	-	-	-	(18,426)
Satisfaction of Victim Support	-	(6,789)	-	-	-	-	(6,789)
Satisfaction of Outreach & Education	-	-	(79,056)	-	-	-	(79,056)
Satisfaction of Giving Tuesday	(879,578)	(4,731)	(4,371)	(8,043)	(24,933)	(1,872)	(923,528)
Satisfaction of Bridges	-	-	-	(22,080)	-	-	(22,080)
Satisfaction of Nutrition Programming	-	-	-	-	(214,229)	-	(214,229)
INCREASE (DECREASE) IN DONOR RESTRICTED NET ASSETS	191,561	(8,409)	(50,840)	(11,651)	(76,432)	(1,872)	42,357
DONOR RESTRICTED NET ASSETS AT END OF PERIOD	$ 487,372	$ 7,866	$ 73,809	$ -	$ 98,501	$ -	$ 667,548

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

COMPLIANCE SECTION

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PARTNERS
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William C. Sheltrow, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the
Copper Shores Community Health Foundation
400 Quincy Street, 5th Floor
Hancock, Michigan 49930

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Copper Shores Community Health Foundation (a nonprofit organization, the Foundation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Board of Directors of the
Copper Shores Community Health Foundation
Hancock, Michigan 49930

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson, Tackman & Company, PLC
Certified Public Accountants

July 15, 2026

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
102 W. Washington St. Suite 109 Marquette, MI 49855 (906) 225-1166 www.atcomqt.com

PARTNERS
Michael A. Grentz, CPA
William C. Sheltrow, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of the
Copper Shores Community Health Foundation
400 Quincy Street, 5th Floor
Hancock, Michigan 49930

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Copper Shores Community Health Foundation's (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2024. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anderson, Tackman & Company, PLC
Certified Public Accountants

July 15, 2026

Copper Shores Community Health Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number		Federal Assistance Listing Number	Current Year Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through the Food Bank Council of Michigan			
Pandemic Relief Activities: Local Food Purchase Agreements with State, Tribes, and Local Governments			
Cooperative Agreement			
AM22LFPA0000C063		10.182	$ 476,432
	TOTAL U.S. DEPARTMENT OF AGRICULTURE		**476,432**
U.S. DEPARTMENT OF JUSTICE			
Passed through the Michigan Department of Health and Human Services			
Crime Victims Assistance			
Crime Victim Justice Assistance Grants			
E20244358		16.575	44,742
E20252833		16.575	25,000
E20254449		16.575	25,402
E20244386		16.575	50,744
	Subtotal	16.575	145,888
	TOTAL U.S. DEPARTMENT OF JUSTICE		**145,888**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the UPCAP Services Inc.			
Special Programs for the Aging - Title III, Part C - Nutrition Services			
Title III, Part C1			
UP2024		93.045	53,231
UP2024 - ARP		93.045	22,383
Title III, Part C2			
UP2024		93.045	31,329
UP2024 - ARP		93.045	44,314
Title III, Part C2 - Equipment			
UP2024		93.045	17,247
	Subtotal	93.045	168,504
Nutrition Services Incentive Program			
Title III, Part C1			
UP2024		93.053	15,135
Title III, Part C2			
UP2024		93.053	20,952
	Subtotal	93.053	36,087
	Total Aging Cluster	93.053	204,591
Family Violence Sexual Assault/Rape Crisis Services			
Family Violence Prevention and Services			
E20244145		93.497	52,394
E20252930		93.497	13,270
	Subtotal	93.497	65,664
Temporary Assistance for Needy Families (TANF)			
Rape Prevention and Services			
E20244509		93.558	33,362
Family Preservation Programs			
Contractor Payments		93.558	62,781
	Subtotal	93.558	96,143
Passed through the Northcare Network			
State Opioid Response 3			
MI State Opioid Response		93.788	38,554
Block Grant for Prevention & Treatment of Substance Abuse			
Prevention COVID CFR Grant (ARPA)		93.959	56,493
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		**461,445**
	TOTAL FEDERAL FINANCIAL ASSISTANCE		**$ 1,083,765**

The accompanying notes are an integral part of this schedule.

COPPER SHORES COMMUNITY HEALTH FOUNDATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2024

NOTE A – OVERSIGHT AGENCY:

The U.S. Department of Agriculture is the current year's oversight agency for the Copper Shores Community Health Foundation (the Foundation) for the single audit as determined by the agency providing the largest share of the Foundation's federal awards.

NOTE B – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Foundation for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Foundation.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE D – INDIRECT COST RATE:

The Foundation has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE E – PASS-THROUGH AGENCIES:

The Foundation receives certain federal grants as sub-awards from non-federal entities. Pass-through grant numbers have been provided where available.

COPPER SHORES COMMUNITY HEALTH FOUNDATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

For the Year Ended December 31, 2024

NOTE F – RECONCILIATION OF REVENUE REPORTED IN THE FINANCIAL STATEMENTS:

Total Federal Grants per Financial Statements	$940,822
Add:	
Grants recorded in general ledger as state but are actually federal	307,695
Less:	
Grants recorded in general ledger as federal but are actually state	(164,752)
Total federal expenditures per Schedule of Expenditures of Federal Awards	$1,083,765

COPPER SHORES COMMUNITY HEALTH FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

- Type of auditor's report issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles: Unmodified
- Internal control over financial reporting:
  - Material weakness(es) identified? ____ Yes __X__ No
  - Significant deficiency(ies) identified? ____ Yes __X__ None reported
- Material noncompliance identified? ____ Yes __X__ No

Federal Awards

- Type of auditor's report issued on compliance with major federal programs: Unmodified
- Internal control over major federal programs:
  - Material weakness(es) identified? ____ Yes __X__ No
  - Significant deficiency(ies) identified? ____ Yes __X__ None reported
- Audit findings required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes __X__ No

Major Programs

- The program(s) tested as a major program were:

Name of Federal Program	*Assistance Listing Number*
Pandemic Relief Activities: Local Food Purchase Agreements with State, Tribes, and Local Governments Cooperative Agreement AM22LFPA0000C063	10.182

- Dollar threshold used to distinguish between Type A and Type B Programs: $750,000
- Auditee qualified as low-risk auditee? __X__ No ____ Yes

SECTION II – FINANCIAL STATEMENT FINDINGS:

- None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

- None reported.

COPPER SHORES
COMMUNITY HEALTH
FOUNDATION

Summary of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS:

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No Single Audit required for the year ended December 31, 2023.

Copper Shores Community Health Foundation - 400 Quincy Street - 5th Floor - Hancock, MI 49930
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Mission: *To positively influence a healthful community through enhanced philanthropy and collaboration.*

COMMUNICATIONS SECTION

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PARTNERS
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William C. Sheltrow, CPA

Copper Shores Community Health Foundation
Report to Management
For the Year Ended December 31, 2024

To the Board of Directors and Management of the
Copper Shores Community Health Foundation
400 Quincy Street, 5th Floor
Hancock, Michigan 49930

In planning and performing our audit of the financial statements of the Copper Shores Community Health Foundation (the Foundation) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Anderson, Tackman & Company, PLC
Certified Public Accountants

July 15, 2026

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PARTNERS
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William C. Sheltrow, CPA

Copper Shores Community Health Foundation
Communication with Those Charged with Governance
For the Year Ended December 31, 2024

July 15, 2026

To the Board of Directors of the
Copper Shores Community Health Foundation
400 Quincy Street, 5th Floor
Hancock, Michigan 49930

We have audited the financial statements of the Copper Shores Community Health Foundation (the Foundation) for the year ended December 31, 2024, and we will issue our report thereon dated July 15, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the accumulated depreciation and depreciation expense is based on historical costs and useful lives of the assets. We evaluated the methods, assumptions, and data used to develop the current year's depreciation expense and accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

To the Board of Directors of the
Copper Shores Community Health Foundation

> Management's estimate of the donated materials as reported in the financial statements is based on historical information for which management had records. We evaluated the methods, assumptions, and data used to develop the donated materials in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the accrued payroll is based on a percentage of days in the current fiscal year versus days in the next fiscal year applied to the most recent payroll in the current fiscal year. We evaluated the methods, assumptions, and data used to develop the accrued payroll balances in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the accrued paid time off is based on employee pay rates and the various subsidiary ledgers maintained for hour balances. We evaluated the methods, assumptions, and data used to develop the accrued employee benefit balances in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the allocation of expenses between program services and other activities is based on program budgets and prior experience. We evaluated the methods, assumptions, and data used to develop the current year's allocation of expenses between program services and other activities in the statement of functional expenses in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the availability of financial asset to meet fiscal year 2025 general expenditures. We evaluated the methods, assumptions, and data used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosure of the equity investment in Portage Health, Inc., Copper Country Apothecaries, Inc. and Portage Physician Practices, Inc. in the notes to the financial statements. Equity investments without readily determinable fair value are recorded at cost. Equity investments are inherently risky and their success depends on market acceptance, operational efficiency, and other key business factors. The companies could fail or not be able to raise additional funds when needed, or they may receive lower valuations with less favorable investment terms than previous financings. These events could cause the investments to become impaired. In addition, financial market volatility could negatively affect the ability to realize value in the investments through liquidity events such as initial public offerings, mergers, and private sales.
>
> Investment securities are measured at fair value as determined by the Foundation. The Foundation uses appropriate valuation techniques based on the available inputs.
>
> The Foundation maintains financial assets consisting of cash and cash equivalents on hand to meet 60 days of normal operating expenses as described in the notes of the Audited Financial Statements. This amount is estimated by management based on average past operating expenses.

To the Board of Directors of the
Copper Shores Community Health Foundation

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 15, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Matters</u>

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

To the Board of Directors of the
Copper Shores Community Health Foundation

This information is intended solely for the use of the Board of Directors of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Anderson, Tackman & Company, PLC
Certified Public Accountants