



Keweenaw
Community
Foundation

2011 ANNUAL REPORT

**TIME IS RUNNING OUT...
TO GIVE MORE FOR LESS**

**BE A HERO THIS YEAR
MAKE YOUR CONTRIBUTION
RIGHT AWAY AND TAKE
ADVANTAGE OF THE MICHIGAN
TAX CREDIT BEFORE IT ENDS -
THE END OF THIS YEAR!**



YES, TIME IS RUNNING OUT TO GIVE MORE FOR LESS

If the unusual cover of this annual report makes you think of **ACTION COMICS** of old when **SUPERHEROES** faced daunting challenges, then you've got the message. There are only a few weeks left to take advantage of the Michigan tax credit for gifts to any of the more than 60 charitable endowments managed by the Keweenaw Community Foundation. So now is the time for you to be a superhero and to take advantage of a huge tax break that will disappear after December 31, possibly never to return.



Brent Peterson and Barbara Rose

For years a donor to any community foundation endowment has been able to claim a tax credit of 50% right off the bottom of their Michigan income tax form -- up to a \$100 credit for a gift of \$200 by an individual, up to \$200 for a gift of \$400 by a couple, and up to \$5,000 for a gift of \$10,000 by a business. That's in addition

to the Federal income tax deduction for the same gift. Recent changes to the Michigan tax code eliminated this charitable tax credit beginning in 2012. This means that you will be able to give more money for less until the end of 2011 by taking advantage of the Michigan tax credit before it disappears. Beginning in 2012, your gifts will qualify only for the Federal tax deduction.

So the next few weeks are the time to give more for less -- by making a gift to KCF endowments of your choice that will put money back in your pocket come tax time.

Taking advantage of your Michigan tax credit is important. But even more important is the good that your donations do, building endowed "savings accounts" for more than 60 local non-profits that benefit so many people in Keweenaw. Those partner organizations are listed on the back page. And highlighted in this report are success stories of how income from those endowments have provided grants during the past year for a variety of wonderful and needed causes. When you look at that list of partner non-profits, you can see that a great many of the people you know here directly benefit, as do many neighbors of all ages that you probably don't know.

So we hope you'll take **ACTION NOW** to support the KCF endowments of your choice, possibly even moving up gifts you might have planned in the future to this year while you can still **GIVE MORE FOR LESS**. But **TIME IS RUNNING OUT**, so don't delay. Use the convenient donation form on the back cover, or contact our office. Let's use the daunting challenge of this tax code change as a way to provide a heroic push forward to the groups doing so much good in our community -- For Good, Forever.

Brent Peterson, *Board Chair*

Barbara Rose, *Executive Director*

WHAT WE DID IN THE PAST YEAR

GRANTING MONEY

KCF funds are like savings accounts for fields of interest, designated organizations, scholarships or other purposes, listed on the back page. And the income from those funds can either be spent as grants or saved for another year. During the past year, that income available for granting totaled \$99,705! That included \$41,554 for fields of interest, such as youth programs and community health; \$47,951 for designated organizations, such as Habitat for Humanity and the Good Will Farm; \$6,300 for scholarship funds; and \$3,900 from the Herman Gundlach Donor Advised Fund. This income represents a return on investments of about 2.4%, reflecting current low interest rates. We expect this rate of return to grow as the economy recovers. But we are grateful that even in hard times income can be earned for the worthwhile purposes KCF serves, and the money invested cannot be spent -- it continues earning "For Good, Forever." Here are some of the ways the money was granted this year:

Gundlach grants -- The Herman Gundlach Fund supports interests "Winks" held dear throughout his life. This year his fund made grants to 25 Copper Country organizations and programs, including the Barbara Kettle Gundlach Shelter, Habitat for Humanity, Goodwill Farm/Big Brothers Big Sisters, Keweenaw Family Resource Center, Omega House, the Salvation Army, the Girl Scouts and Boy Scouts, the Read to Ride Program, and 16 others.

Camp 911 -- The 13th annual Houghton-Keweenaw County Camp 911 taught emergency medical procedures and accident prevention to middle school age students with the support of a number of community organizations, including a special \$1,000 grant by KCF from its 2010 Brewfest proceeds.

Bernard Gaffney Scholarship -- There were two recipients of the Gaffney Scholarship in 2011, Jessica Ahlborn of Houghton and Julie Hauring of Chassell. Both graduated from Houghton High School. Jessica is now attending the Rose-Hulman Institute of Technology, while Julie is attending Michigan Tech.

Faith Lutheran Scholarship -- There were two 2011 recipients of this scholarship as well, Olivia Anne Dyl and Katie Danielle Riutta, both of Calumet. Olivia is now attending Northwestern Michigan College in Traverse City, while Katie is attending Michigan Tech..

Heart and Hands Award -- The Martha & Floyd Hearts and Hands of the Keweenaw Award, partly underwritten by the Keweenaw Land Trust Endowment, is presented to an outstanding Copper Country volunteer that is sometimes "under the radar" according to Hearts and Hands board member Terry Kinzel. The winner receives \$1,000 to donate to a favorite charity. The 2011 winner is KCF trustee Joan Chadde of Houghton, Education Program Coordinator of the Western U.P. Center for Science, Mathematics & Environmental Education, and of the Michigan Tech Center for Science and Environmental Outreach. Joan awarded her stipend to the Lake Superior Stewardship Initiative.

NEW ENDOWMENT FUNDS

Portage Lake Little League Fund -- Rob and Gary Scholie, owners of the Hancock Coca-Cola Bottling Company, have committed \$36,900 to KCF endowments. A major part of that gift launched the Portage Lake Little League Fund to help Copper Country youngsters develop baseball and softball skills. In addition, the Scholies have made substantial gifts to several other KCF endowments, including the Copper Country Community Arts Center, the CLK Youth Hockey Program, the Copper Country Suzuki Association, and the Calumet Theatre.



Anthony & Patricia Stark Scholarship –

To help keep music alive among young people, the Starks started an endowment to fund a scholarship each year for a young person or persons wanting to study in a strings program, such as Suzuki. The grants will be offered through principals and counselors at schools in Baraga, Houghton and Keweenaw Counties, with the recipients chosen by a special granting committee.

SPECIAL EVENTS

Pure Gold Gala – On January 19, 2011 KCF kicked off a successful year with its annual Pure Gold banquet at the MTU Union Ballroom, attended by 130 guests. This event raises operating funds for KCF and recognizes special people. Speakers included representatives of four new KCF funds started in 2010, with the keynote address by Dr. Rene Johnson of Finlandia University, pinch hitting for President Philip Johnson who was stuck in Chicago. Three special awards were presented: Volunteer of the Year was Mike Rose of Houghton who organized the first Keweenaw Brewfest to benefit KCF and the KCF Wildlife Habitat Fund. The Bricks & Mortar Award went to KCF board member Paul Freshwater of Eagle Harbor. The Winks Gundlach Award for consistent support of Pure Gold and KCF was given to Aspirus Keweenaw Hospital.

Bully Backfiring Workshop – On May 12, 2011, the Youth Advisory Committee of KCF, led by trustees Joan Chadde and Lois Jambekar, sponsored a workshop on bullying for elementary school students. The workshop used a unique game format, conceived and developed by older student members of YAC, to teach youngster students how to recognize and deal with bullying. “Bully Backfire” is much like the board game “Sorry,” where students step from box to box after answering questions. The KCF Youth Advisory Committee allows youths to identify youth needs, to help meet those needs, and to become involved in philanthropy and community service.

Second Annual Brewfest – Brewfest returned to East Houghton Park on August 27, 2011, again organized by Mike Rose as a fundraiser for KCF operations and the KCF U.P. Wildlife Habitat Endowment. A host of volunteers served 70 beer offerings from 30 brewers to a crowd of almost a thousand revelers on perhaps the nicest Saturday afternoon of the summer. Several music groups and eating establishments added to the festivities, during which attendees could sample up to 15 beers in a souvenir glass for just \$25. With sponsorships and ticket sales, the event netted about \$18,000.

New KCF Office – In November 2011, KCF moved into a new office in Hancock at 236 Quincy Street. This move followed an extensive search of real estate available in the area, and is ideal for both office operations and meetings with groups, such as the board of directors, our fund partners, and prospective donors. With the help of building owner Mike Lahti and the Hancock Downtown Development Authority, the storefront’s visibility in the Keweenaw will soon be enhanced by a major facelift. This will involve an awning over the picture window, in KCF’s trademark blue color, with our logo and motto “For good, Forever.” Interior upgrades have already made this former appliance store, church and oriental grocery into a bright, professional and efficient home for KCF.

AT A GLANCE

Keweenaw Community Foundation

WHAT?

Incorporated in 1994, KCF is the primary charitable organization serving the long-term needs of Keweenaw and Houghton Counties.

HOW?

KCF does this by helping a variety of non-profit groups as well as individuals to set up and operate permanent investment funds that provide grants to pay for local needs now and in the future. These funds, mostly endowments but also other types of long-term investments, are funded by private contributions and designated for specific non-profit organizations, local fields of charitable interest, or other charitable uses selected by the donors.

WHY?

Because by acting together as partners with KCF, charitable donors and organizations can maximize their long-term contributions to the community while minimizing their costs of doing so.

WHO?

KCF is governed by volunteers, including a board of trustees representing a variety of community interests. The board is advised by professionals in fields such as finance, accounting and law, and by the organizations KCF serves. It is supported by a part-time staff headed by Executive Director Barbara Rose.



Billy Waite of Houghton enjoys the new bike he earned in the Good Will Farm’s Read To Ride Program.



Camp 911 participants learn emergency skills.

DONORS



Michael and Marilyn Agin
 Patricia Anderson
 Ambassador
 Ameriprise Financial
 Armando's, Inc.
 Michael and Karen Arola
 Rubina Aslanian
 Aspirus Keweenaw
 David Bach
 Jennifer Baldwin
 Janet Barnes
 Dennis and Sandra Barrette
 Phillip Barry
 Elaine Beaudoin
 Jennifer Becker
 Berryman, Inc.

Century 21 North Country Agency
 Joan Chadde
 Chevron Humankind Matching Gift
 Program
 Jane Church
 City of Hancock
 City of Houghton
 Melba Clapp
 Coca-Cola Bottlers Foundation
 Kevin Codere
 Robert and Elizabeth Coffin
 Thomas and Jane Conine
 Les and Stephanie-Valentine Cook
 Ann Cooper
 Copper Country Cubes
 Copper Harbor Improvement Association
 Copper Harbor Trails Club
 Rebecca Crane
 Crown Cleaners
 Daily Mining Gazette
 Russell Davidson
 Mary Dixon

Robert and Debby Filer
 Jo Foley
 Finlandia University
 Paul and Audrey Frair
 Frank A. Douglass Agency, Inc.
 Frank Stubenrauch & Sons
 C. Ted and Karen Fredrickson
 Paul and Robertine Freshwater
 Fred and Clarissa Gaff
 Edward and Elizabeth Gaffney
 Christopher and Margaret Gale
 Vera Gerhardt
 Marlene Gilpin
 Good Will Farm/Big Brothers Big Sisters
 Ronald Gratz
 J.B. and Phyllis Green
 Sarah Green
 John and Janet Haeussler
 Elizabeth Hakola
 Marilyn Hamar
 Hairsmith's Salon
 Hancock Bottling Co., Inc.
 Harbor Haus Restaurant
 Hanke Auto Body
 Dennis and Andrea Bourne Harbour
 John and Gretchen Healy
 Paul and Heidi Ann Heide
 Helen Kitti Trust
 Ronald and LouEllyn Helman
 Daniel Hendrickson
 Jonathan and Sandra Henkel
 James and Peg Hertel
 Thomas and Jane Hiltunen
 Alison Hoagland
 David and Thelma Holmes
 Houghton Power Sports
 Travis Howard
 Craig and Amy Hughes
 Neil Hutzler
 Industrial Graphics
 Shane and Liisa Jacques
 Anil and Lois Jambekar
 Virginia Jamison
 Martha Janners

Timothy Jaska
 Dana Johnson
 Dewey Jones
 Stephen Jukuri
 Jon Julien
 Karen Kamerschen
 Edwin Kautto
 Marie Kellan
 Harold and Rita Kestner
 Keweenaw Automotive
 Keweenaw Brewing Company
 Donald and Elizabeth Kilpela
 Terry and Sue Ellen Kingsley Kinzel
 Kirkish Furniture
 Kirk and Ann Clancy Klemme
 KMPRD Inc. - dba Rock House
 Fred and Roberta Kobler
 Michael and Wanda Kolb
 Edwin Kraai
 Richard and Emilie Krznarich
 Craig and Jeanne Kurtz
 James and Tammy LaBeske
 Lahti Apartments
 Robert and Deloris Langseth
 Larry and Rachel Lankton
 Paul Lehto
 Lisa Levandowski
 Library Restaurant & Brew Pub
 Patricia Lins
 LJJ Construction
 Rudy and Kelly Luck
 Jonathan and Linda Luse
 Paul and Kari Lyle
 Michael and Linda Magni
 Marilyn L. Mason Trust
 Corey and Mandy Markham
 Marquette General Health System
 A. Stanley Martin
 Martineau & Morris Contracting, Inc
 Michael and Vicky Mattila
 Alex Mayer
 McCabe Distributing Company
 McGann Building Supply, Inc.
 David Mechlin



7 Youth participants in the KCF Youth Advisory Committee's Bully Backfiring workshop created a fun board game to teach younger students how to recognize and deal with bullying.

Mary Beyers
 Michael Bingham
 Jeffrey and Susan Binkley
 Ron and Michele Blau
 James and Rhonda Bogan
 Leonard Bohmann
 Paul and Margaret Boissevain
 Book Concern Printers
 Theodore and Laurie Bornhorst
 Kristine Bradof
 Brilliant Consulting
 Tarin Broksieck
 Bruce Rukkila, CPA, PC
 Charles and Grace Burger
 Ben and Kimberly Campioni
 Campioni Enterprises, Inc
 Rima Carlson
 Carmelita's

Dollar Bay Linoleum and Tile Company
 Susan Donnelly
 Douglass House Saloon
 David and Annette Duchamp
 Michael and Janet Dudenas
 John and Janet Dunn
 Eagle Radio
 Jack Eberhard
 Alfred and Mary Eckhart
 William and Constance Eddy
 Edward Jones - Calumet-Dan Dalquist
 Edward Jones-Hancock-Brent Peterson
 Edward Jones-Hancock-Steve Zutter
 Edward Jones - L'Anse-Mike Ostermeyer
 Peter and Carol Ekstrom
 Joseph and Gail Evans
 Jeffrey and Michelle Farrey
 Jack and Nancy Fenton



Gaffney Scholarships are awarded by KCF Director Barb Rose to Jessica Ahlborn (L) and Julie Hauring (R).

THE LEGACY SOCIETY

When you make a commitment to the future of the Keweenaw through a planned gift or bequest to the Keweenaw Community Foundation, you are invited to join the Foundation's Legacy Society. Legacy Society members have made such a commitment by naming the Foundation in their wills or trusts, planned gifts, qualified retirement plans, or life insurance policies. We recognize and thank the following Legacy Society members for preserving a portion of their estates for our community – For good. Forever.

Jim & Linda Belote	Eileen Niva*
Paul & Robertine Freshwater	Ruth E. Sablich
Martha Kinzel*	Elvis J. Scott
Terry Kinzel & Sue Ellen Kingsley	Doug & Norma Lee Stuart

*deceased

If you are interested in making a Legacy gift, we would be pleased to provide you with information to help you make an informed giving decision. In your estate planning, if you have already made provisions to include the Foundation or selected endowments, we would be delighted to hear from you.

Anthony and Patricia Stark started a scholarship endowment for young people to study string music.

Photo by Stacey Kukkonen of The Daily Mining Gazette.



Janet Metsa	Range Bank
Michael and Lisa Meyer	David and Elizabeth Reed
Michigan Tech Employees Fed Credit Union	Red Jacket Brewing
Robert and Suzanne Mikesch	Reliance Agency
Walter and Shiela Milligan	Remax Douglass Agency
Terry and Paula Monson	Dana Richter
Philip and C. Michelle Morgan	Charles and Cheryl Roberts
Paul and Joan Moses	James Rose
Glen and Joan Mroz	Michael and Barbara Rose
Michael Mullins	William and Alexandrine Rose
Terence and Patricia Sherman Murphy	Elizabeth Rossini
Peter and Amy Negro	David and Mary Rowe
John and Jayne Nestell	Jay Rowe
Jonathan and Gail Neufeld	Ruth Sablich
Gina Nicholas	Donald and Christine Salo
Eric and Michiko Nielsen	Paul Sanders
Roberta Noetzel	John and Suzanne Sanregret
Northern Mutual Insurance Company	Lauren Schaefer
NV Hair Salon	Craig and Paula Scheuern
Paul and Joyce Ollila	Steven Schmunk
Shawn Oppliger	Elvis J. Scott
Sally Orr	Eric Seagren
Linda Ott	Maximilian and Mary Ann Seel
Charles and Bernadette -Yeoman	Shelden Grill
Quellette	Douglas and Nancy Sherk
Chris and Frances Passerello	Jon Sherk
Glenn and Cristine Patrick	Mark and Patricia Sherman
James and Karen Paull	Shipping Shop
Robert Pearson	Anthony and Patricia Stark
Almor and Kathleen Penegor	Janeen Stephenson
Peterlin Bros Co	Stewart Manufacturing
Peterson Lawn Care	Frank and Sharon Stipech
Brent and Kristin Peterson	Clifford Storr
Eric and Susan Peterson	Debra Stouffer
Pfizer Foundation Matching Gift Program	Elsa Strayer
Pilgrim River Steakhouse	Ginger Stroube
Pisani Company, Inc./Wholesale Distributors	Douglas and Norma Lee Stuart
Portage Health Foundation	John and Helen Sullivan
Portage Health System	Super 8 Motel
William and MaryAnn Predebon	Superior Block
Gerald and Cynthia Quello	Superior Graphics
Quincy's	Superior Claim Service
	Superior Rent-All and Sales
	Superior National Bank & Trust Co.
	Surplus Outlet, Inc.



Faith Lutheran Scholarship winners Olivia Dyl (L) and Katie Riutta.

Lawrence Sutter	Karin Van Dyke
Robert Swanson	Alexander and Ann Marie VanDuyne
Robert Swift	Robert Veaser
Gregory and Judy Switek	Norma Veurink
Dale and Alice Tahtinen	Mindi Webb
Telrite Corporation	William and Shirley Weiss
Tervo Agency, Inc.	Glen and Lynn Ann Weller
The Martin Family Foundation	Lloyd Westcoat
The Marketing Department	Wickley Agency
The Shelden Grill	Phoebe Wienke
William and Alyce Thorpe	David and Gladys Wiitanen
Matt and Amy Thyer	Wisconsin Public Service
Raymond and Diane Tiberger	Foundation, Inc.
Richard and Ann Tieder	Charles and Lois Young
Gay Tucholski	Mark Young
U.P. Engineers & Architects, Inc.	Charles and Sue Zamzow
Up and Running	Jack Zatirka

2011 OFFICERS AND TRUSTEES

Chairman

Brent Peterson – Financial Advisor, Edward Jones, Hancock

Vice Chairman

Mike Hauswirth - Chief Operating Officer, Aspirus Keweenaw Hospital

Secretary

Lois Jambekar – Retired Elementary School Teacher

Treasurer

Peter Negro - Rukkila, Negro & Associates, CPA, P.C.

Joan Chadde - Education Program Coordinator, Western U.P Center for Science, Mathematics & Environmental Education & MTU for Science and Environmental Outreach

Lesley Cook – Vice President Student Affairs, Michigan Tech University

Paul Freshwater- Retired Regional Govt. Affairs Manager, Procter & Gamble

Jon Julien –LJJ Construction/Julien Properties

Eric Nielsen – Chief Operating Officer, Thermo Analytics

Karyn Olsson, Owner, Marketing Department, Inc.

Anthony Stark, Retired President, Baraga Telephone Company

Bernadette Yeoman-Ouellette, Professionally involved in alternative education

Stephen Zutter, Financial Advisor, Edward Jones, Hancock

Keweenaw Community Foundation Staff

Barbara Rose – Executive Director

Heather McCloskey – Office Manager

2011 PROFESSIONAL ADVISORY COUNCIL

Joseph Daavettila, Certified Public Accountant

Bob DuPont, Bank President

Roger Helman, Attorney, Certified Financial Planner

Dave Mechlin, Attorney

Peter Negro, Certified Public Accountant

Eric Neilson, COO of Thermoanalytics.

Steve Zutter, Financial Advisor

The Professional Advisory Council is professionally qualified to explore and offer advice to donors about tax and estate planning benefits, and to advise KCF and its partners about long-term financial investment and grant making policies. Your personal advisor can also assist you in selecting planned giving methods best suited for you and your charitable intentions.



Last November KCF moved into its new home at 236 Quincy Street in Hancock. A new front wall design is in the works.

PURE GOLD 2011

The KCF January 19th Pure Gold banquet celebrated accomplishments, new partners and special people while raising operating funds. Watch for your invitation to the January, 2012 Pure Gold gala.



Michael Rose of Houghton (L) received the 2011 Volunteer of the Year Award from KCF Past Board Chair **Steve Zutter**.



Paul Freshwater of Eagle Harbor (L) received the Bricks & Mortar Award from KCF Trustee **Les Cook**.



Aspirus Keweenaw of Laurium received the KCF Consistent Sponsorship Award. Accepting was Aspirus Keweenaw CEO **Chuck Nelson** (L) with KCF Board Chair **Brent Peterson**.



Rob Scholie and his brother Gary of Hancock Coca Cola Bottling made a major donation to start a Portage Lake Little League Baseball Fund and for other civic causes.

Photo by Stacey Kukkonen of The Daily Mining Gazette.

STATEMENT OF FINANCIAL POSITION

In \$ for fiscal years ending March 31

ASSETS:	2011	2010
Cash and cash equivalents	64,599	53,940
Investments at fair value	4,763,860	4,224,131
Pledges receivable, net	2,177	11,277
Accrued interest receivable	9,826	9,558
Accounts receivable	--	578
Land held for sale	174,150	174,150
Inventory	11,600	12,600
Property and equipment, net	940	1,137
Investments in Unitrust	247,352	237,650
Total Assets	5,274,504	4,725,021
LIABILITIES:		
Accounts payable	1,029	7,503
Annuities payable	428,562	452,146
Funds held as agency endowments	259,719	232,741
Trust funds payable – Unitrust	247,352	237,650
Total Liabilities	936,662	930,040
NET ASSETS:		
Annuity funds	95,807	50,072
Donor designated funds	1,593,892	1,242,367
Donor advised funds	938,929	858,398
Field of interest funds	1,401,359	1,263,076
Scholarship funds	224,612	193,997
Operating	83,243	87,071
Total Net Assets	4,337,842	3,794,981
Total Liabilities and Net Assets	5,274,504	4,725,021

BREWFEST

Brewfest organizer Mike Rose.



Hundreds of revelers enjoy Brewfest.



Brewfest servers Elly and Sharon pour away.



Brewfest volunteers celebrate a successful day.

The audit of the fiscal year ending March 31, 2011 was performed by Makela, Toutant, Hill and Nardi, P.C. To review the complete audit, contact the foundation office. The full representation of the above draft will be completed shortly and will be available by contacting the Keweenaw Community Foundation.

Public Documents:

Our annual audit, IRS form 990, and our annual application for the state of Michigan License to Solicit Donations are available at our office during business hours. For our investment information, the names of our investment managers, members of our investment committee, and the administrative fees charged, please e-mail us at mail@k-c-f.org or call (906) 482-9673.



Joan Chadde is the 2011 Heart and Hands of the Keweenaw Award winner.

Photo by Kurt Hauglie of The Daily Mining Gazette.



This 3-position Geri Chair recliner for use by Omega House patients was purchased with a grant from the KCF Herman Gundlach Fund.



