



D/B/A CHESAPEAKE CHARITIES

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A/ CHESAPEAKE CHARITIES

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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Independent Auditor's Report

Board of Directors
Foundation for Community Partnerships, Inc.
d/b/a Chesapeake Charities

We have audited the accompanying financial statements of Foundation for Community Partnerships, Inc. (a nonprofit organization), d/b/a Chesapeake Charities, which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Toal, Griffith + Ragula, LLC

April 9, 2015

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current Assets:		
Cash:		
Cash - Unrestricted	\$ 284,349	\$ 157,288
Cash - Restricted for Community Foundation Fund	<u>349,875</u>	<u>719,867</u>
Total Cash	634,224	877,155
Prepaid Expenses	1,573	-
Investments	<u>469,204</u>	<u>124,926</u>
Total Current Assets	1,105,001	1,002,081
Other Assets:		
Certificates of Deposit	225,527	475,000
Website in Progress	<u>2,692</u>	<u>-</u>
Total Other Assets	<u>228,219</u>	<u>475,000</u>
 Total Assets	 <u>\$ 1,333,220</u>	 <u>\$ 1,477,081</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 76,965	\$ 69,054
Accrued Expenses	<u>7,259</u>	<u>3,500</u>
Total Current Liabilities	<u>84,224</u>	<u>72,554</u>
 Total Liabilities	 84,224	 72,554
Net Assets:		
Unrestricted	204,390	84,734
Temporarily Restricted	<u>1,044,606</u>	<u>1,319,793</u>
 Total Net Assets	 <u>1,248,996</u>	 <u>1,404,527</u>
 Total Liabilities and Net Assets	 <u>\$ 1,333,220</u>	 <u>\$ 1,477,081</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions and Grants	\$ 120,033	\$ 1,000,048	\$ 1,120,081	\$ 19,473	\$ 1,077,270	\$ 1,096,743
Interest Income	1,634	5,267	6,901	3,121	-	3,121
Realized and Unrealized Gain (Loss)	4,230	-	4,230	(1,705)	8,365	6,660
In-kind Revenue	4,000	-	4,000	-	-	-
Program Service Fees	48,120	-	48,120	-	-	-
Program Service Fee Income Released	33,759	(33,759)	-	49,579	(49,579)	-
Fund Administrative Fee Income Released	40,604	(40,604)	-	37,536	(37,536)	-
Net Assets Released	1,206,139	(1,206,139)	-	1,043,884	(1,043,884)	-
Total Revenue, Gains, and Other Support	1,458,519	(275,187)	1,183,332	1,151,888	(45,364)	1,106,524
EXPENSES						
General and Administrative	57,515	-	57,515	45,812	-	45,812
Program	1,279,577	-	1,279,577	1,102,309	-	1,102,309
Fundraising	1,771	-	1,771	-	-	-
Total Expenses	1,338,863	-	1,338,863	1,148,121	-	1,148,121
Change in Net Assets	119,656	(275,187)	(155,531)	3,767	(45,364)	(41,597)
Net Assets, Beginning of Year	84,734	1,319,793	1,404,527	80,967	1,365,157	1,446,124
Net Assets, End of Year	\$ 204,390	\$ 1,044,606	\$ 1,248,996	\$ 84,734	\$ 1,319,793	\$ 1,404,527

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A/ CHESAPEAKE CHARITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	General and <u>Administrative</u>	<u>Program</u>	<u>Fundraising</u>	Total <u>Expenses</u>
Advertising	\$ 25	\$ -	\$ -	\$ 25
Contract Labor	4,737	-	-	4,737
Direct Service Payments	-	1,123,076	-	1,123,076
Dues and Subscriptions	1,325	-	-	1,325
Grants	-	83,063	-	83,063
Insurance	10,495	-	-	10,495
Legal and Professional Fees	6,500	-	-	6,500
Payroll and Accrued Salaries	13,943	66,432	1,640	82,015
Payroll Taxes and Licenses	1,114	5,306	131	6,551
Postage and Shipping	512	-	-	512
Printing	948	-	-	948
Rent	8,096	-	-	8,096
Software Expense	348	-	-	348
Supplies	6,693	-	-	6,693
Telephone and Fax	1,861	-	-	1,861
Training	-	1,700	-	1,700
Travel and Entertainment	869	-	-	869
Utilities	49	-	-	49
	<u>49</u>	<u>-</u>	<u>-</u>	<u>49</u>
Total Expenses	<u>\$ 57,515</u>	<u>\$ 1,279,577</u>	<u>\$ 1,771</u>	<u>\$ 1,338,863</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	General and <u>Administrative</u>	<u>Program</u>	<u>Total Expenses</u>
Advertising	\$ 260	\$ -	\$ 260
Contract Labor	2,238	-	2,238
Direct Service Payments	-	999,035	999,035
Dues and Subscriptions	1,025	-	1,025
Grants	-	44,522	44,522
Insurance	9,953	-	9,953
Legal and Professional Fees	7,900	-	7,900
Payroll and Accrued Salaries	12,733	54,282	67,015
Payroll Taxes and Licenses	1,049	4,470	5,519
Postage and Shipping	572	-	572
Printing	553	-	553
Rent	6,600	-	6,600
Software Expense	330	-	330
Supplies	963	-	963
Telephone and Fax	1,157	-	1,157
Travel and Entertainment	277	-	277
Website	202	-	202
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>45,812</u>	\$ <u>1,102,309</u>	\$ <u>1,148,121</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (155,531)	\$ (41,597)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Unrealized (Gain)/Loss	9,026	(6,660)
Change in Assets and Liabilities:		
Increase in Prepaid Expenses	1,573	-
Decrease in Promises to Give	-	310
Increase in Accounts Payable	7,911	69,054
Increase in Accrued Expenses	3,759	338
	<u>(133,262)</u>	<u>21,445</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Certificates of Deposit	(100,527)	(350,000)
Purchases of Investments	(454,316)	(549)
Purchases of Website Development Costs	(2,692)	-
Redemption of Certificates of Deposit	350,000	350,000
Sales of Investments	97,866	-
	<u>(109,669)</u>	<u>(549)</u>
Net Cash Used by Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(242,931)	20,896
CASH, BEGINNING OF YEAR	<u>877,155</u>	<u>856,259</u>
CASH, END OF YEAR	<u>\$ 634,224</u>	<u>\$ 877,155</u>
Cash - Unrestricted	\$ 284,349	\$ 157,288
Cash - Restricted	<u>349,875</u>	<u>719,867</u>
Total Cash, End of Year	<u>\$ 634,224</u>	<u>\$ 877,155</u>
SUPPLEMENTAL CASH INFORMATION		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities is an entity whose purpose is exclusively for such charitable and educational purposes as are within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provisions of any subsequent federal tax laws. The purposes for which the Organization is formed are as follows:

- 1) To operate as a tax-exempt, not-for-profit publicly supported philanthropic institution for the benefit of the residents of the Chesapeake Bay region.
- 2) To maximize the acquisition and utilization of all public and private funding sources to accumulate funds in an endowment fund; and to manage said funds under community control for community health, education and welfare purposes.
- 3) To conduct only activities which are described as charitable or educational, as those terms are defined under Section 501(c)(3) of Internal Revenue Code 1986, as amended.

The Organization is supported primarily by grants and contributions.

Accreditation

On September 22, 2014, the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities, received notice of reconfirmation of its accreditation with National Standards for U.S. Community Foundations™.

This achievement certifies that Chesapeake Charities continues to meet the nation's highest philanthropic standards for operational quality, integrity and accountability. National Standards accreditation is a commitment to transparency, excellence, stewardship, and leadership. The National Standards seal distinguishes Chesapeake Charities from other community foundations and philanthropic organizations that have not met these rigorous standards and provides confidence to donors, professional advisors, and others who seek a qualified, trustworthy philanthropic partner. The Foundation received its initial accreditation from the Council on Foundations on February 20, 2008. The National Standards for U.S. Community Foundations Program requires community foundations to document their policies for donor services, investments, grant making, and administration.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Managed Funds

The Community Foundation (Fund) includes the current property together with any property, which may later be added to the fund. Cash gifts may be added to the fund at any time by anyone. The Board of Directors of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities shall have complete discretion to accept or refuse any non-cash gift and shall have complete authority and discretion as to the investment and reinvestment of the assets of the Fund as part of the Foundation for Community Partnerships, Inc.'s investment portfolio.

The Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities shall hold, manage, invest, and reinvest the assets of the Fund which may be co-mingled with the assets of other component funds provided, however, that the separate identity of the Fund shall be maintained and distributions from the Fund shall be clearly identified to the recipients. A separate account shall be established to report the Fund's earnings and distributions. The Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities shall report annually to the Internal Revenue Service regarding the Fund as a component fund within the Foundation for the Community Partnerships, Inc., d/b/a Chesapeake Charities.

In the event of the dissolution of the Beneficiary, the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities shall thereafter continue to hold the assets of the Fund in its general unrestricted endowment fund and shall distribute the net income and principal therefrom to such organizations as the Board of Directors of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities may select with primary consideration being given to such organizations as, in its discretion, it shall consider appropriate.

It is intended that the Fund continue as long as the need for it exists and as long as assets continue to be held in the Fund for its charitable purposes. If, for any reason, the fund is terminated or the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities dissolves, or ceases to hold or administer the Fund or otherwise to function under this agreement, then the net assets of the Fund shall be distributed to such charitable organizations as the Board of Directors of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities most nearly reflect the purposes and objectives of the Beneficiary.

The Fund's assets shall be the property of the Foundation for the Community Partnerships, Inc., d/b/a Chesapeake Charities to be held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. It is intended that the Fund shall be a component fund within the community foundation and that nothing in the donor agreement shall affect the

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Managed Funds (Continued)

status of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. The donor agreement shall be interpreted in a manner consistent with the foregoing intention so as to conform to any applicable requirements of the Internal Revenue Code and its regulations.

It is understood and agreed that all assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities including the variance power contained therein permitting the governing board of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities to modify or remove any restriction or condition regarding the distribution of funds, if, in its sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes and needs served by the community foundation.

The Fund shall share a fair portion of the total administrative costs of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities. Such administrative costs shall be charged annually against income from the Fund and shall at all times be reasonable and in accordance with Foundation for the Community Partnerships, Inc., d/b/a Chesapeake Charities current fee schedule. If the donor prefers not to diminish the Fund by the payment therefrom of the administrative costs, they may instead be paid directly by the donor.

The fee structure is based upon a percentage of balances held and distributions made from the Fund.

Basis of Accounting

The financial statements of the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

The Organization classifies resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. Unconditional promises to give are recorded as receivables and revenues and the Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

- Permanently Restricted - the portion of the net assets resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Temporarily Restricted - the portion of the net assets resulting from contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Unrestricted - the portion of the net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recognition of Donor Restrictions

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Cash and Cash Equivalents

For reporting purposes, Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities considers all checking accounts and money market funds to be cash and cash equivalents.

Cash and Investments

Cash and investments are presented in the aggregate at the lower of cost or fair market value.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at market value. Donated securities are reported at fair market value as of the date of receipt. All realized and unrealized gains and losses arising from fluctuations in market values, sale or other disposition of assets are accounted for in the class of net assets that owned the assets.

The Organization receives contributions primarily from donors in the Mid-Atlantic Region.

Fair Value Measurements

The Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities has determined the fair value of certain assets and liabilities through application of generally accepted accounting principles.

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. For certain long-term debt, the fair value was based on present value techniques using inputs derived principally or corroborated from market data. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied. All assets have been valued using a market approach. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

Promises to Give

Promises to give are recorded as revenue in the period in which the promise becomes unconditional. All promises to give are expected to be collected within one year. An allowance for doubtful pledges has been recorded based on management's estimate of the collectibility of the pledges based on historical collection experience.

Intangible Assets

During 2014, the Organization began development of a new website which was not yet placed in service at December 31, 2014. Accordingly, costs related to the website have been capitalized but no amortization expense was recorded in 2014. Amortization expense is expected to be approximately \$1,000 per year for each of the next five years.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Donated Services, Materials and Facilities

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation for Community Partnerships, Inc., d/b/a Chesapeake Charities reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Direct Services

As part of its grant making function, the Foundation makes direct service payments to organizations or individuals who provide direct support to the component funds in order to fulfill their charitable missions.

Allocation of Expenses

Expenses are allocated between program services, management and general support, and fundraising in accordance with generally accepted accounting principles, and have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(1). There was no net unrelated business taxable income; therefore, no provision for income tax is reflected in the financial statements.

The Organization's informational return filings are subject to examination by the Internal Revenue Service, generally for three years after it is filed.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to April 9, 2015 that would have a material impact on the financial statements.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These changes have had no effect on the net income for the years ended December 31, 2014 and 2013.

NOTE 2 - CONCENTRATIONS

The Organization maintains cash and cash equivalents at several financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. At December 31, 2014, the Organization's uninsured cash balances totaled approximately \$377,000. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Organization has the following certificates of deposits as of December 31, 2014:

	<u>Maturity</u>	Interest <u>Rate</u>	<u>Balance</u>
The Huntington National Bank	January 2016	0.4988%	\$ 125,000
Queenstown Bank of Maryland	April 2019	1.0500%	<u>100,527</u>
Total			\$ <u>225,527</u>

The Organization has the following certificates of deposits as of December 31, 2013:

	<u>Maturity</u>	Interest <u>Rate</u>	<u>Balance</u>
Business First Bank	January 2014	0.5982%	\$ 19,138
EverBank	January 2014	0.2496%	225,000
The Park National Bank	January 2014	0.5982%	105,862
The Huntington National Bank	January 2016	0.4988%	<u>125,000</u>
Total			\$ <u>475,000</u>

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 4 - INVESTMENTS

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

	Quoted Market Prices in Active Markets <u>(Level 1)</u>	Other Observable Inputs <u>(Level 2)</u>	Unobservable Inputs <u>(Level 3)</u>	<u>Total</u>
Mutual Funds:				
Domestic Index Funds	\$ 73,696	\$ ---	\$ ---	\$ 73,696
Latin American Index Funds	2,107	---	---	2,107
Asian Index Funds	<u>12,126</u>	<u>---</u>	<u>---</u>	<u>12,126</u>
Total Mutual Funds	87,929	---	---	87,929
Common Stock:				
Construction	12,369	---	---	12,369
Energy	17,244	---	---	17,244
Financials	26,105	---	---	26,105
Health Care	23,540	---	---	23,540
Information Technology	16,508	---	---	16,508
Materials	6,142	---	---	6,142
Telecom	<u>7,269</u>	<u>---</u>	<u>---</u>	<u>7,269</u>
Total Common Stock	109,177	---	---	109,177
Cash	23,501	---	---	23,501
Fixed Income:				
Corporate Bonds	36,711	---	---	36,711
US Treasuries	<u>211,886</u>	<u>---</u>	<u>---</u>	<u>211,886</u>
Total Fixed Income	<u>248,597</u>	<u>---</u>	<u>---</u>	<u>248,597</u>
Total Investments	\$ <u>469,204</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>469,204</u>

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
D/B/A CHESAPEAKE CHARITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 4 - INVESTMENTS (CONTINUED)

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	Quoted Market Prices in Active Markets <u>(Level 1)</u>	Other Observable Inputs <u>(Level 2)</u>	Unobservable Inputs <u>(Level 3)</u>	<u>Total</u>
Mutual Funds:				
Domestic Index Funds	\$ 35,319	\$ ---	\$ ---	\$ 35,319
Latin American Index Funds	7,430	---	---	7,430
Asian Index Funds	<u>11,630</u>	<u>---</u>	<u>---</u>	<u>11,630</u>
Total Mutual Funds	54,379	---	---	54,379
Common Stock:				
Domestic Industrial Products	<u>1,028</u>	<u>---</u>	<u>---</u>	<u>1,028</u>
Total Common Stock	1,028	---	---	1,028
Cash	<u>69,519</u>	<u>---</u>	<u>---</u>	<u>69,519</u>
Total Investments	\$ <u>124,926</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>124,926</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31:

	<u>2014</u>	<u>2013</u>
Adopt A Bear	\$ 5,474	\$ 8,097
Animal Welfare League	34,471	51,425
Alice Perry Liptak Scholarship	10,906	---
Bayshore Soccer Club	1,447	1,473
Bobbi Smith Cancer Foundation	81	83
Buck Family Fund	---	5,069
Bully Free Community	1,962	303
Cancer Comfort Angels	24,316	42,690
Cancer Comfort Angels Scholarship	960	52
Caring and Sharing	23,874	20,962

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

	<u>2014</u>	<u>2013</u>
Caroline Veterans Memorial	\$ 9,164	\$ 8,527
CASA of Queen Anne's and Kent Counties	305	310
CCF	5,820	7,147
Centreville High School Alumni Scholarship	12,788	12,720
Centreville High School Alumni Scholarship-Gen.	4,443	7,598
Character Counts	16,301	10,284
Character Counts – Kent County	27,886	---
Chesapeake Public Television	4,452	4,531
Chesapeake Women's Network-QA	9,041	1,345
Chesterfield Cemetery	9,586	4,076
Child Advocacy Center	17,675	23,296
Corsica River Conservancy	23,802	25,648
Cruise-Safe Foundation	199	---
CSAFE Community Fund	790	46
CWN Scholarship Fund-Talbot	175	214
Dancing for Dogs	3,321	5,216
Dr. Elizabeth Hagen Scholarship-Endowment	146,841	151,560
Drug Free Caroline Coalition	8,600	1,763
Early Wars of Queen Anne's County	1,418	5,052
Eastern Shore Police Canine	2,576	3,193
Eastern Shore Sister City International	312	317
Educare	---	2,242
Eric and Cara Thorn Memorial Endowment	72,196	71,813
Eric and Cara Thorn Memorial Scholarship	26,659	20,691
Families First	68	70
Fathers Across America	---	199
Florence S. Buck Scholarship	1,933	1,967
Foundation Family Emergency Fund	2,049	2,049
Friends of Historic Christ Church	10,384	6,050
Friends of Island Dog Park	2,577	1,274
Friends of the QAC Sports Complex	208	212
Galestown Millpond Association	2,321	2,362
Giving the Edge	5,082	---
Healthy Families	2,191	639
Island Bay Day	188	573
Island Football Network	2,894	3,545
Judy Center Partnership	2,791	1,784
Kent Island Arts and Entertainment District	1,525	2,057

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.
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NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

	<u>2014</u>	<u>2013</u>
Kent Island Educational Music	\$ 2,210	\$ 4,681
Kent Narrows Development	9,489	9,657
MAPPA	1,911	909
Matapeake Elementary School Mural Fund	120	122
National Capital Radio and TV Museum	5,397	4,693
Partnering for Youth	220,447	437,241
Paso A Paso	7,368	8,492
Price Community Club	5,536	13,427
QA Railroad Society	232	236
QAC Agricultural Land Preservation	10,686	10,875
QAC Community Partnerships	15,360	15,631
QAC Economic Development	5,755	6,888
QAC High School Alumni Association	14,832	15,102
QAC Parks and Recreation Charitable Gift	8,865	9,022
QAC Park and Recreation	4,406	4,484
T. Conrad Monts Memorial	117,534	186,191
Talbot Senior Center Campaign	2,022	2,058
Team Chesapeake	20,895	11,099
The Ransom Foundation	9,920	12,717
The Rose House	23,471	24,404
Tomcat Solutions	4,790	7,216
Traffic Safety-Courtesy on the Road	10,136	12,931
War of 1812 Commemoration	44	45
Youth Developmental Assets	<u>1,128</u>	<u>1,148</u>
Total Temporarily Restricted Net Assets	\$ <u>1,044,606</u>	\$ <u>1,319,793</u>

NOTE 6 - OPERATING LEASES

On October 13, 2014, the Organization entered into a facility lease beginning on November 1, 2014 and expiring on October 31, 2017. The lease agreement requires base monthly rental payments of \$1,573; beginning November 1, 2016 monthly payments will increase to \$1,687. The lease allows the Organization to cancel the lease without recourse after the first year.

Future lease payments are as follows for the fiscal year ending December 31, 2014:

2015	\$ 18,876
2016	19,105
2017	<u>16,874</u>
Total	\$ <u>54,855</u>