

**Maine Community Foundation
and Supporting Organizations**

Audited Consolidated Financial Statements
and Additional Information

*Years Ended December 31, 2004 and 2003
With Independent Auditors' Report*

MAINE COMMUNITY FOUNDATION

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

Years Ended December 31, 2004 and 2003

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maine Community Foundation

We have audited the accompanying consolidated statements of financial position of Maine Community Foundation and its Supporting Organizations as of December 31, 2004 and 2003, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The prior year summarized comparative information has been derived from the Foundation's 2003 financial statements and, in our report dated May 4, 2004, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Maine Community Foundation and its Supporting Organizations at December 31, 2004 and 2003, and the consolidated changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying additional information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Limited Liability Company

Portland, Maine
May 20, 2005

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2004 and 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Investments (note 3)	\$165,541,516	\$112,515,972
Cash and cash equivalents (note 11)	5,633,038	11,623,965
Grant receivable (note 4)	530,473	2,546,517
Contributions receivable (note 5)	2,720,124	6,065,979
Prepaid expenses and other receivables	67,732	49,085
Other investments	161,692	152,858
Receivable from trusts	1,817,534	2,197,660
Property and equipment, net (note 6)	<u>512,247</u>	<u>512,220</u>
 Total assets	 <u>\$176,984,356</u>	 <u>\$135,664,256</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 457,444	\$ 162,773
Grants payable (note 7)	976,285	1,087,918
Funds held as agency endowments	7,619,630	5,188,737
Income beneficiaries payable	1,075,573	1,024,047
Deferred grant revenue (note 8)	<u>7,012,573</u>	<u>8,705,945</u>
 Total liabilities	 17,141,505	 16,169,420
 Net assets:		
Unrestricted net assets	145,281,935	106,063,758
Temporarily restricted net assets (note 9)	4,156,763	3,090,725
Permanently restricted net assets (note 9)	<u>10,404,153</u>	<u>10,340,353</u>
 Total net assets	 <u>159,842,851</u>	 <u>119,494,836</u>
 Total liabilities and net assets	 <u>\$176,984,356</u>	 <u>\$135,664,256</u>

See Notes to Consolidated Financial Statements.

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2004 and 2003

	<u>Unrestricted</u>	<u>Tempo- rarily Restricted</u>	<u>Perma- nently Restricted</u>	<u>2004</u>	<u>2003</u>
Revenue, gains and other support:					
Contributions	\$ 30,318,021	\$ 1,325,390	\$ 63,800	\$ 31,707,211	\$ 20,466,896
Grant revenue	2,178,709	-	-	2,178,709	1,546,907
Special events	246,098	-	-	246,098	198,116
Interest and dividend income	1,980,570	203,329	-	2,183,899	1,665,749
Net realized and unrealized gains on investments	19,521,274	668,777	-	20,190,051	17,436,671
Other revenue	<u>135,898</u>	<u>-</u>	<u>-</u>	<u>135,898</u>	<u>136,688</u>
	54,380,570	2,197,496	63,800	56,641,866	41,451,027
Net assets released resulting from satisfaction of restrictions	<u>1,131,458</u>	<u>(1,131,458)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	55,512,028	1,066,038	63,800	56,641,866	41,451,027
Expenses:					
Grants and program initiatives	11,261,761	-	-	11,261,761	9,439,137
Administrative expenses:					
Program service expenses	2,679,211	-	-	2,679,211	2,208,566
Management and general	546,074	-	-	546,074	379,394
Fundraising	<u>742,448</u>	<u>-</u>	<u>-</u>	<u>742,448</u>	<u>736,149</u>
	3,967,733	-	-	3,967,733	3,324,109
Investment management fees	<u>481,613</u>	<u>-</u>	<u>-</u>	<u>481,613</u>	<u>339,900</u>
Total expenses	15,711,107	-	-	15,711,107	13,103,146
Transfer to Common Good Ventures (note 10)	<u>582,744</u>	<u>-</u>	<u>-</u>	<u>582,744</u>	<u>-</u>
Increase in net assets	39,218,177	1,066,038	63,800	40,348,015	28,347,881
Net assets at beginning of year	<u>106,063,758</u>	<u>3,090,725</u>	<u>10,340,353</u>	<u>119,494,836</u>	<u>91,146,955</u>
Net assets at end of year	<u>\$145,281,935</u>	<u>\$ 4,156,763</u>	<u>\$10,404,153</u>	<u>\$159,842,851</u>	<u>\$119,494,836</u>

See accompanying notes.

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flow from operating activities:		
Increase in net assets:	\$ 40,348,015	\$ 28,347,881
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	52,288	55,971
Net unrealized and realized investment gains	(20,190,051)	(17,436,671)
Proceeds from contributions restricted for endowment	(4,402,000)	(2,340,845)
Transfer to Common Good Ventures	582,744	-
Decrease (increase) in grants receivable	2,016,044	(2,546,517)
Decrease (increase) in contributions receivable	3,227,105	(4,765,979)
(Increase) decrease in prepaid expenses and accounts receivable	(34,111)	15,007
Decrease (increase) in receivable from trusts	380,126	(265,333)
Increase in accounts payable and accrued expenses	303,917	95,295
(Decrease) increase in grants payable	(111,633)	205,838
Increase in agency endowment	2,430,893	1,603,659
Increase (decrease) in income beneficiaries payable	51,526	(59,945)
(Decrease) increase in deferred grant revenue	<u>(1,693,372)</u>	<u>7,130,647</u>
Net cash provided by operating activities	22,961,491	10,039,008
Cash flows from investing activities:		
Purchase of investments, net	(32,844,327)	(6,626,052)
Notes receivable	-	(10,732)
Repayments on notes receivable	10,732	-
Purchases of property, plant and equipment	(59,669)	(7,287)
Transfer to Common Good Ventures	<u>(461,154)</u>	<u>-</u>
Net cash used by investing activities	(33,354,418)	(6,644,071)
Cash flows from financing activities:		
Proceeds from contributions restricted for endowment	<u>4,402,000</u>	<u>2,340,845</u>
Net cash provided by financing activities	<u>4,402,000</u>	<u>2,340,845</u>
Net (decrease) increase in cash and cash equivalents	(5,990,927)	5,735,782
Cash and cash equivalents at beginning of year	<u>11,623,965</u>	<u>5,888,183</u>
Cash and cash equivalents at end of year	<u>\$ 5,633,038</u>	<u>\$ 11,623,965</u>

See accompanying notes.

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

1. Description of Organization

The consolidated financial statements of the Maine Community Foundation (MCF) include all accounts of MCF and its supporting organizations, the Senator George J. Mitchell Scholarship Research Institute (Mitchell Institute), the Seal Bay Fund and Maine Community Supporting Organization and, in 2003, Common Good Ventures, (collectively, the Foundation). MCF exercises significant control over the supporting organizations. Accordingly, consolidated financial statements are presented which include the Foundation and its supporting organizations. All significant balances and transactions between the entities have been eliminated in the consolidation.

MCF is a nonprofit community foundation that works with charitably minded citizens to strengthen Maine communities by building permanent charitable funds, connecting donors to organizations and programs they care about, making effective grants and providing leadership to address community issues.

Mitchell Institute provides an annual four-year scholarship award to a graduating senior from each of Maine's high schools. The Mitchell Institute also is committed to research the advancement of higher education aspirations of Maine students through the development and support of programs that remove obstacles to achieving a college degree.

Common Good Ventures is a philanthropic organization that partners with nonprofit groups to improve their performance through capital investment and long-term business consulting partnerships. On January 1, 2004, Common Good Ventures separated from MCF.

Seal Bay Fund is a charitable trust which provides direct support to MCF.

Maine Community Supporting Foundation provides support to MCF by receiving real estate.

2. Summary of Significant Accounting Policies

Investments

Investment securities are stated at fair value. The fair value of debt securities and marketable equity securities are based on quoted market prices. The fair value of nonmarketable securities for which quoted market prices are not available are determined from information supplied by the fund managers based on the quoted market values of the underlying investments. Gains and losses on investments are computed on a specific identification basis. Investment income is allocated to the various funds within the unrestricted, temporarily restricted and permanently restricted fund group based on fair value of the investments and the restrictions or lack thereof on the investment income.

Investments are administered by investment agents chosen by the Foundation's Board of Directors. The investment agents report the assigned values and market values of the investments and are responsible for custody and investment management under supervision of the Board of Directors.

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents includes all highly liquid investments with an initial maturity of three months or less, except for those cash equivalents that are held as part of the investment portfolio.

Receivable From Trusts

The Foundation is the beneficiary of certain charitable remainder trusts. In cases where the Foundation does not act as trustee, the Foundation has recorded an asset at the present value of the estimated revenue to be recorded from the trusts.

Grants Receivable and Deferred Grant Revenue

The Foundation is the recipient of grants from government agencies and other charitable foundations. Grant revenue is recognized based on fulfilling the terms of the award agreement.

Contributions Receivable

Unconditional promises to give are recorded as contributions in the year the promise is received. Unconditional promises to give that are expected to be received in future periods are discounted using a risk-free rate applicable to the years in which the payments are received. Amortization of the discount is recorded as contribution revenue. An allowance for uncollectible contributions receivable is provided as necessary.

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair market value determined at the date of donation, less accumulated depreciation. The Foundation's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures that do not extend the lives of the related assets. Depreciation is provided by the straight-line method in a manner which is intended to amortize the cost of the assets over their estimated useful life.

Grants Payable

Grants are made from available principal and income in accordance with the designation of donors and approval of the Board of Directors. Grant cancellations and refunds are recorded as they occur. Grants payable beyond one year are reported at the present value of their estimated future cash flows.

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

2. Summary of Significant Accounting Policies (Continued)

Agency Endowments

Statement of Financial Accounting Standards No. 136 (SFAS No. 136), *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. SFAS No. 136 specifically requires that, if a not-for-profit organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, that community foundation must account for the transfer of such assets as a liability rather than as a contribution. The Foundation refers to such funds as agency endowments.

Income Beneficiaries Payable

The Foundation has recorded a liability for the amount due to income beneficiaries of pooled income funds and charitable gift annuities when the Foundation acts as trustee. For charitable gift annuities, the present value of the estimated future payments to be distributed during the beneficiaries' expected life is recorded as a liability using a discount rate of 8.6%.

Classification of Net Assets

Unrestricted net assets represent resources available to the Foundation other than those net assets restricted by donors. Temporarily restricted net assets are those net assets whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

The Foundation considers contributions to be restricted if they are received with donor stipulations that restrict the use or the timing of expending the donated assets. Accordingly, all such contributions are reported as temporarily or permanently restricted. Gains and losses on the investment of these assets are classified as temporarily restricted in accordance with the Uniform Management of Institutional Funds Act, as amended, by the State of Maine. Investment income subject to restrictions is classified as temporarily restricted until the period in which the funds are spent, at which time temporarily restricted assets are released to unrestricted assets. Such transfers are reported in the statements of activities as net assets released from satisfaction of restriction.

The Fund Resolution of MCF provides for variance power which allows the direction of spending and the reduction of principal, if necessary. These funds are classified as unrestricted. At the Mitchell Institute, certain contributions have been restricted by donors to the scholarship endowment. These funds are classified as permanently restricted.

Investment Fees

The Foundation invested in several commingled funds and limited partnerships. Most of these funds and partnerships report income net of fees and the Foundation follows the same practice. As a result, some of the fees paid to investment managers are reflected as a reduction of investment income.

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation and its supporting organization, Mitchell Institute, are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Certain transactions of the supporting organization, Seal Bay Fund, are subject to state and federal taxes.

Functional Expenses

Expenses are allocated to both programs and support services. Salaries and wages are allocated based on estimates of time spent by the members of the staff. All other expenses are charged to each program based on direct expenditures incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

The major categories of investments, at fair value, at December 31 are as follows:

	<u>2004</u>		<u>2003</u>	
Equity	\$101,200,593	61%	\$ 67,169,385	60%
Fixed income	24,862,977	15	17,101,509	15
Cash equivalents	6,635,500	4	9,982,287	9
Alternative investments	<u>32,842,446</u>	<u>20</u>	<u>18,262,791</u>	<u>16</u>
	<u>\$165,541,516</u>	<u>100%</u>	<u>\$112,515,972</u>	<u>100%</u>

The principal components of investment income consist of the following at December 31:

	<u>2004</u>	<u>2003</u>
Interest and dividend income	\$ 2,183,899	\$ 1,665,749
Net realized and unrealized gains (losses on investments)	<u>20,190,051</u>	<u>17,436,671</u>
	<u>\$22,373,950</u>	<u>\$19,102,420</u>

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

3. Investments (Continued)

Alternative Investments

Alternative investments include real estate partnerships (REITS), private equity, venture capital and various arbitrage strategies and distressed debt. Generally, these assets are less liquid and require a longer investment horizon than traditional assets.

4. Grants Receivable

Grants receivable due to the Mitchell Institute are as follows at December 31:

	<u>2004</u>	<u>2003</u>
Bill and Melinda Gates Foundation	\$ —	\$2,121,654
State of Maine, Department of Education, Center for Inquiry on Secondary Education	<u>530,473</u>	<u>424,863</u>
	<u>\$530,473</u>	<u>\$2,546,517</u>

5. Contributions Receivable

Contributions receivable are expected to be received as follows:

2005		\$2,553,034
2006		100,710
2007		69,300
2008		3,600
2009		<u>—</u>
		2,726,644
Less discount to reflect contributions receivable at present value		<u>(6,520)</u>
Total contributions receivable		<u>\$2,720,124</u>

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

6. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2004</u>	<u>2003</u>
Building and building improvements	\$ 429,552	\$ 429,552
Land	71,000	71,000
Furniture and office equipment	146,983	164,940
Computer equipment	95,921	179,621
Vehicle	17,250	17,250
Leasehold improvements	<u>5,736</u>	<u>5,736</u>
	766,442	868,099
Less accumulated depreciation	<u>(254,195)</u>	<u>(355,879)</u>
	<u>\$ 512,247</u>	<u>\$ 512,220</u>

During 2004, \$149,918 of equipment and furnishings that was fully depreciated and no longer in service was removed from the books.

In addition, on January 1, 2004 Common Good Ventures separated from MCF. As a result, property and equipment of \$11,406 and accumulated depreciation of \$4,053 reported at December 31, 2003 was removed from the books.

7. Grants Payable

Future anticipated cash flow from Mitchell Institute grants payable, for which all of the conditions have been met, are summarized as follows at December 31, 2004:

	<u>Scholar-</u> <u>ships</u>	<u>Great</u> <u>Maine</u> <u>School</u> <u>Grants</u>	<u>Total</u>
2005	\$515,000	\$ 8,345	\$523,345
2006	299,000	—	299,000
2007	164,000	—	164,000
2008	<u>4,000</u>	<u>—</u>	<u>4,000</u>
	982,000	8,345	990,345
Less unamortized discount to reflect grants payable at present value	<u>(14,060)</u>	<u>—</u>	<u>(14,060)</u>
Total grants payable	<u>\$967,940</u>	<u>\$ 8,345</u>	<u>\$976,285</u>

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

8. Deferred Grant Revenue

The Mitchell Institute has received a project support grant for the creation of ten to twelve "Promising Future High Schools." The total grant is for \$9,984,927 for the five-year period ending May 31, 2007. The Mitchell Institute has received \$9,984,927 of this grant to date. As of December 31, 2004 and 2003, \$6,588,101 and \$8,328,033, respectively, of these funds had not been expended and were classified as deferred grant revenue.

The Mitchell Institute also was awarded a grant from the State of Maine, Department of Education in the amount of \$558,195 for the period covering September 15, 2004 to September 14, 2005. The purpose of the grant is to improve academic achievement and evaluate the aspirations of Maine's secondary school students through dialogue and planning for school reform. As of December 31, 2004, \$424,472 of these funds had not been expended.

9. Net Assets

In 1999, MCF transferred the net assets of the Senator George J. Mitchell Scholarship Fund to the Mitchell Institute. The net assets transferred totalled \$1,543,207. The Mitchell Institute will retain this Fund as long as certain restrictions outlined in the transfer agreement dated October 20, 1999 remain satisfied. If the Mitchell Institute fails to observe these restrictions, the value of the Fund at the date of transfer, plus future annual net appreciation (not to exceed 4% per annum) reverts to MCF. As the Foundation has variance power, this Fund is classified as unrestricted.

Temporarily restricted net assets are available for the following purposes at December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Scholarships	\$1,165,000	\$1,347,851
Operations in future years	279,727	445,074
Time restricted	<u>2,712,036</u>	<u>1,297,800</u>
	<u>\$4,156,763</u>	<u>\$3,090,725</u>

Permanently restricted net assets consist of the following at December 31:

	<u>2004</u>	<u>2003</u>
Scholarship Endowment Fund	<u>\$10,404,153</u>	<u>\$10,340,353</u>

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

10. Transfer to Common Good Ventures

On January 1, 2004, Common Good Ventures separated from MCF. Common Good Ventures' financial position at December 31, 2003 and revenue and expense for the year then ended were:

Assets	\$591,990
Liabilities	9,246
Net assets	582,744
Revenue	725,819
Expense	445,922

11. Concentration of Credit Risk

The Foundation maintains cash and cash equivalents with several broker-dealers. Accounts at each broker-dealer are insured by the SIPC up to \$500,000. At December 31, 2004, approximately \$5,000,000 of the Foundation's cash and cash equivalent balances were held in uninsured money market funds at a AA+ (Standard & Poor's) credit rated financial institution.

ADDITIONAL INFORMATION

MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS

DETAIL CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2004

	Maine Community Foundation	Common Good Ventures	Seal Bay Fund	Maine Community Supporting Organ- ization	Senator George J. Mitchell Scholarship Research Institute	Elimi- nations and Reclassi- fications	Total
ASSETS							
Investments	\$133,438,280	\$ -	\$13,172,717	\$ -	\$18,930,519	\$ -	\$165,541,516
Cash and cash equivalents	5,237,021	-	-	-	396,017	-	5,633,038
Grant receivable	-	-	-	-	530,473	-	530,473
Contributions receivable	1,166,214	-	-	-	1,553,910	-	2,720,124
Prepaid expenses and other receivables	44,577	-	-	-	23,155	-	67,732
Other investments	161,692	-	-	-	-	-	161,692
Receivable from trusts	1,817,534	-	-	-	-	-	1,817,534
Property and equipment, net	449,353	-	-	-	62,894	-	512,247
Total assets	<u>\$142,314,671</u>	<u>\$ -</u>	<u>\$13,172,717</u>	<u>\$ -</u>	<u>\$21,496,968</u>	<u>\$ -</u>	<u>\$176,984,356</u>
LIABILITIES AND NET ASSETS							
Accounts payable and accrued expenses	\$ 79,051	\$ -	\$ -	\$ -	\$ 378,393	\$ -	\$ 457,444
Grants payable	-	-	-	-	976,285	-	976,285
Funds held as agency endowment	7,619,630	-	-	-	-	-	7,619,630
Income beneficiaries payable	1,075,573	-	-	-	-	-	1,075,573
Deferred grant revenue	-	-	-	-	7,012,573	-	7,012,573
Total liabilities	8,774,254	-	-	-	8,367,251	-	17,141,505
Net assets:							
Unrestricted net assets	130,828,381	-	13,172,717	-	(1,237,232)	2,518,069	145,281,935
Temporarily restricted net assets	2,712,036	-	-	-	2,419,589	(974,862)	4,156,763
Permanently restricted net assets	-	-	-	-	11,947,360	(1,543,207)	10,404,153
Total net assets	<u>133,540,417</u>	<u>-</u>	<u>13,172,717</u>	<u>-</u>	<u>13,129,717</u>	<u>-</u>	<u>159,842,851</u>
Total liabilities and net assets	<u>\$142,314,671</u>	<u>\$ -</u>	<u>\$13,172,717</u>	<u>\$ -</u>	<u>\$21,496,968</u>	<u>\$ -</u>	<u>\$176,984,356</u>

**MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

DETAIL CONSOLIDATING STATEMENT OF ACTIVITIES

December 31, 2004

	Maine Community Foundation	Common Good Ventures	Seal Bay Fund	Maine Community Supporting Organ- ization	Senator George J. Mitchell Scholarship Research Institute	Elimi- nations and Reclassi- fications	Total
Revenue, gains and other support:							
Contributions	\$ 30,718,675	\$ -	\$ 114	\$ 407,692	\$ 592,880	\$ (12,150)	\$ 31,707,211
Grant revenue	-	-	-	-	2,178,709	-	2,178,709
Special events	62,635	-	-	-	183,463	-	246,098
Interest and dividend income	1,525,614	-	360,997	-	297,288	-	2,183,899
Net realized and unrealized gains on investments	12,097,103	-	7,486,256	-	606,692	-	20,190,051
Other income	<u>96,731</u>	-	-	<u>261</u>	<u>38,906</u>	-	<u>135,898</u>
Interentity transfer of revenue	44,500,758	-	7,847,367	407,953	3,897,938	(12,150)	56,641,866
Total revenue, gains (losses) and other support	50,145,227	-	8,082,356	407,953	3,897,938	(5,891,608)	56,641,866
Expenses:							
Grants and program initiatives	8,807,161	-	772,800	-	1,681,800	-	11,261,761
Administrative expenses:							
Program service expenses	1,335,385	-	-	24,813	1,319,013	-	2,679,211
Management and general	176,324	-	103,274	-	296,216	(29,740)	546,074
Fundraising	499,893	-	-	-	242,555	-	742,448
Investment management fees	2,011,602	-	103,274	24,813	1,857,784	(29,740)	3,967,733
Interentity transfer of expense	421,434	-	643	-	59,536	-	481,613
Total expenses	5,236,739	-	241,989	383,140	-	(5,861,868)	-
	<u>16,476,936</u>	-	<u>1,118,706</u>	<u>407,953</u>	<u>3,599,120</u>	<u>(5,891,608)</u>	<u>15,711,107</u>
Transfer to Common Good Ventures	-	582,744	-	-	-	-	582,744
Increase (decrease) in net assets	33,668,291	(582,744)	6,963,650	-	298,818	-	40,348,015
Net assets at beginning of year	<u>99,872,126</u>	<u>582,744</u>	<u>6,209,067</u>	-	<u>12,830,899</u>	-	<u>119,494,836</u>
Net assets at end of year	<u>\$133,540,417</u>	<u>\$ -</u>	<u>\$13,172,717</u>	<u>\$ -</u>	<u>\$13,129,717</u>	<u>\$ -</u>	<u>\$159,842,851</u>