

**CENTRE COUNTY COMMUNITY
FOUNDATION, INC.
AND AFFILIATES**

FINANCIAL REPORT

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Centre County Community Foundation, Inc.
and Affiliates
State College, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Centre County Community Foundation, Inc. and Affiliates, which comprise the combined statements of assets, liabilities and net assets - modified cash basis as of December 31, 2012 and 2011, and the related combined statements of support and revenue, expenses and changes in unrestricted net assets - modified cash basis 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 misstatements, 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 an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing certain 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 misstatements 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Centre County Community Foundation, Inc. and Affiliates, as of December 31, 2012 and 2011, and the support and revenue, expenses and changes in unrestricted net assets for the years then ended, in accordance with the basis of accounting described in Note 2.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

State College, Pennsylvania
October 8, 2013

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS**

December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash, including money market funds	\$ 281,555	\$ 483,383
Investments (at market value):		
TIFF Multi-Asset Fund	11,706,110	10,268,529
Global equity securities	8,635,876	6,339,780
Debt and fixed income securities	3,361,116	3,412,690
Discretionary securities	1,201,914	1,386,390
Total investments	24,905,016	21,407,389
Property and equipment - net	400,851	410,662
Cash surrender value of life insurance policies	130,003	127,342
Total assets	\$ 25,717,425	\$ 22,428,776
LIABILITIES		
Other current liabilities	\$ 1,054	\$ -
Charitable gift annuities	100,154	121,217
Total liabilities	101,208	121,217
NET ASSETS		
Unrestricted		
Undesignated	5,516,387	4,873,433
Designated, donor-advised funds	6,161,677	5,427,065
Designated for charitable organizations	11,873,668	10,278,003
Designated for administrative expenses of CCCF	2,064,485	1,729,058
Total unrestricted net assets	25,616,217	22,307,559
Total liabilities and net assets	\$ 25,717,425	\$ 22,428,776

See Notes to Combined Financial Statements.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED STATEMENTS OF SUPPORT AND REVENUE, EXPENSES AND CHANGES
IN UNRESTRICTED NET ASSETS - MODIFIED CASH BASIS**

Years Ended December 31, 2012 and 2011

	2012	2011
Support and Revenue		
Contributions	\$ 2,832,835	\$ 1,413,195
Interest and dividends	546,915	822,632
Gain on termination of contract	7,551	-
Special events	2,440	10,960
Total unrestricted support and revenue	3,389,741	2,246,787
Expenses		
Distributions to charities	1,374,300	891,841
Other program expenses - Knight Funds	377,975	107,527
Personnel	233,730	208,416
Investment management and administration fees	54,432	43,783
Administrative and general	161,132	107,444
Professional	50,328	40,994
Fundraising expenses and events	45,721	44,981
Depreciation	19,810	18,500
Charitable gift annuity distribution	6,747	8,230
Total expenses	2,324,175	1,471,716
Net realized and unrealized capital gains and (losses)	2,243,092	(1,121,269)
Increase (decrease) in unrestricted net assets	3,308,658	(346,198)
Unrestricted Net Assets:		
Beginning	22,307,559	22,653,757
Ending	\$ 25,616,217	\$ 22,307,559

See Notes to Combined Financial Statements.

CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Organization and Activities

The financial statements include the accounts and activity of Centre County Community Foundation, Inc., Foundation Property, Inc., and Community Foundation Holdings, LLC.

Centre County Community Foundation, Inc., (CCCF, Inc.) was formed in 1995. Its purpose is to receive and accept property to be administered exclusively for charitable purposes, primarily in and for the Centre County region of Pennsylvania. Its activities include the administration of funds given for charitable purposes and the distribution of funds for such purposes in accordance with the terms of various gifts, bequests or other devices.

Centre County Community Foundation, Inc., was originally formed in 1981 under various trust agreements. On March 10, 1998, the Foundation joined with each Trustee bank in the filing of a petition with the Court of Common Pleas of Centre County, Orphans' Court Division, seeking to transfer all assets under various trusts to Centre County Community Foundation, Inc., in its corporate form. The petitions were approved on March 13, 1998. The Court also ordered that Centre County Community Foundation, Inc., be recognized as the successor for any future gifts, given in trust, and that such gifts be paid over to the corporation. Accordingly, the trusts were terminated, the assets held under those trusts transferred, and the operations consolidated under the corporate form.

The Foundation is controlled by a Board of Directors, all of whom shall be United States citizens who reside in Centre County, Pennsylvania. The Board consists of twenty-five (25) members acting in their own right and appointed or elected as follows:

One member is appointed by:

President Judge of the Courts of Centre County;
Board of Centre County Commissioners;
Council of the Borough of Bellefonte;
Council of the Borough of Philipsburg;
Council of the Borough of State College;
Centre County Bar Association;
Chamber of Business and Industry of Centre County;
President of the Pennsylvania State University; and
the remainder are elected by the Board

In addition, other individuals volunteer their time as members of various committees and/or ex-officio members of the Board.

The Foundation's Employer Identification Number (EIN) is 25-1782197 and its state certificate number is 6525.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Organization and Activities (Continued)

Effective December 20, 1999, the Foundation formed Foundation Property, Inc., (FPI). FPI was formed for charitable purposes exclusively to benefit Centre County Community Foundation, Inc., by accepting, holding and disposing property, especially real property.

A majority of the Board of Directors of FPI must be elected by the Board of the Centre County Community Foundation, Inc.

FPI's Employer Identification Number (EIN) is 25-1873198 and its state certificate number is 27056.

Effective December 15, 2004, FPI formed Community Foundation Holdings, LLC (CFH). CFH was formed exclusively to serve the charitable purposes of its sole member, FPI, by accepting, holding and disposing property, especially real property. CFH is a disregarded entity for federal income tax purposes.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Accounting Policies: The Foundation prepares its financial statements on the cash basis, modified for depreciation and the valuation of investments at market value. Under this basis, revenue is recorded when collected rather than when earned and expenditures are recorded when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or the results of operations in conformity with accounting principles generally accepted in the United States of America.

The cash basis of accounting used to prepare financial statements differs from accounting principles generally accepted in the United States of America primarily in that:

Contributions are recorded as income when received and expenses when disbursed. Under accounting principles generally accepted in the United States of America, pledges would be recorded as receivables, subject to allowances for uncollectible amounts; grants would be recorded as expenses and liabilities at the time recipients are entitled to them.

Under the cash basis of accounting, the Foundation does not recognize, as assets or revenue, its interest (or changes therein) in trusts or other split-interest arrangements where it has been named irrevocable beneficiary when the assets are not held in the name of the Foundation. Under its charitable gift annuity program, a liability is established at the inception of the contract based upon the net present value of payments expected to be paid. As payments are made, a portion is allocated to reduce the liability.

Similarly, the Foundation does not recognize liabilities for reciprocal transfers where it has received assets from a resource provider which has specified itself as the beneficiary of the assets or the return on investment of those assets, or both. Rather, they are recorded as contributions and unrestricted net assets, subject to designation.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Principles of Combination: The accompanying combined financial statements include the accounts of Centre County Community Foundation, Inc., Foundation Property, Inc. and Community Foundation Holdings, LLC. All material intercompany balances and transactions have been eliminated in combination.

Financial Statement Presentation:

The Foundation has adopted financial statement display provisions applicable to not-for-profit organizations. The Foundation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as unrestricted.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

The Foundation reports its assets as unrestricted, subject to various designations respecting donor wishes or arrangements that provide for the return of assets or the return on investment, or both, to be paid to particular organizations.

Factors considered in the determination include:

The Foundation's articles of incorporation, by-laws and the terms of various predecessor trusts, allow the respective Boards the power to use the principal amount of gifts.

The Foundation has been granted unilateral variance power to modify restrictions or conditions on the distribution of funds if, in its sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the needs of the community.

While its policies provide for such, the Foundation recognizes no permanently restricted net assets.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Investments

Investment Policy: It is the Foundation's policy to hold its investments to obtain a ratio of approximately 40%-80% global equity securities and approximately 20%-60% debt securities, based on market value. Within certain limits, investment managers are allowed discretion as to the deployment of assets. For up to 30% of the assets under management, flexibility is allowed including over or under-weighting allocations and/or holding positions in sector, commodity, high-yield debt or other publicly-traded securities to improve yield and/or reduce risk.

Investment Valuation: Investments are recorded at fair value. Fair value is defined as the price that the Foundation would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy is utilized to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique is used to measure fair value and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3 - significant unobservable inputs (including the foundation's own assumptions in determining the fair value of investments)

Securities listed on a securities exchange or openly traded, for which market quotations are readily available, are valued at their last quoted sales price on the principal exchange on which they are traded on the valuation date. Debt securities are valued at prices that reflect broker/dealer-supplied valuations or are obtained from independent pricing services and are deemed representative of market values at the close of the market.

The Foundation has a significant position in the TIFF Multi-Asset Fund (MAF) described below which is valued at the net asset value as reported by TIFF. If The Foundation was to liquidate any or all of its holdings, a one-half of one percent (.50%) exit fee would be assessed by the Fund. The TIFF MAF is considered to be valued base upon Level 2 inputs using the net asset value of the fund as a practical expedient to other valuation techniques.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Investments (Continued)

Investment Income and Gains and Losses: Interest, dividends and realized and unrealized gains and losses are reported as increases in unrestricted net assets.

Investment Management and Administration Fees: Fees are paid to banks, and others, for administration, custody and investment management and brokerage services.

Present Spending Policy: The Board of the Foundation approved, for grant making purposes, 4% for 2012 and 2011, of its average net assets, using twenty quarter-end balances available for such use. The rate, amount and base against which the policy is applied, are subject to change at the sole discretion of the Board.

Donated Services: No amounts are recorded for donated services, the use of space or other such items.

Income Taxes: Centre County Community Foundation, Inc., was granted tax-exempt status under Section 501(c)(3) in March 1996, retroactive to its inception. As of June 9, 2000, the Internal Revenue Service (IRS) determined the Foundation to be a publicly supported organization and not a private foundation. Management has evaluated the Foundation's tax positions and concludes that the Foundation has maintained its tax exempt status and has taken no uncertain tax positions that might require adjustment to the financial statements. As of April 26, 2001, the Internal Revenue Service recognized Foundation Property, Inc., as exempt from Federal tax and determined it not to be a private foundation because it supports the activities of the Foundation. Tax years 2009 through 2011 remain open to IRS examination.

Subsequent Events: The Foundation has evaluated subsequent events through October 8, 2013, the date on which the financial statements were available to be issued.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments

Investments are valued based on quoted market prices including, for mutual funds, their net asset value. The Foundation believes there is sufficient activity and liquidity in the markets in which its investments are traded to as to be able to realize all, or substantially all, of the reported market value at each respective year end date.

Investments in marketable securities are held by commercial banks, segregated within the trust department, or by brokerage houses, as custodian for the Foundation. They consist primarily of mutual funds. Pursuant to its investment policy, the Foundation diversifies its holdings into various asset classes, principally debt and equity holdings. Mutual funds are evaluated on the basis of their underlying securities.

The fixed-income portfolio is diversified and consists primarily of investment grade bonds, benchmarked against the Barclay Aggregate Index.

Employing broad diversification as to investment style and other major component weighting, the global equity portfolio is benchmarked against the MSCI All Country World Index, which includes broad categories of U.S. equities, non-U.S. developed market equities and emerging market equities.

The single largest holding of CCCF is 740,893 shares of the Multi-Asset Fund (MAF) held at The Investment Fund for Foundations (TIFF) with a cost basis of \$9,533,023 and a market value of \$11,706,110, at December 31, 2012.

The primary benchmark of the MAF is the Consumer Price Index (CPI) plus 5%. Its policy portfolio or Constructed Index (CI) is a blended index composed of asset segments, weighted according to policy issues that seek to provide an asset mix that will maintain the inflation adjusted value, while distributing 5% of the assets annually. The composition of the CI changes over time for various reasons that impact expectations for long-term returns and risks associated with the various assets.

At December 31, 2012, the TIFFF Multi-Asset fund was allocated (at market value) approximately 51% to global equity securities, 39% to fixed income (cash and inflation linked bonds) and 10% to the discretionary classes as defined by the Foundation's Investment Committee.

The constructed index includes total return assets (stocks, bonds, etc.), inflation hedges (commodities and real estate investment trusts) and all-purpose and other hedges to achieve its stated goal.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

Investments at December 31, 2012, are summarized below:

	Shares	Cost	Market Value
Valued Using Level 1 Inputs			
Global Equity Securities:			
First Eagle Global A Fund	21,321	\$ 1,043,345	\$ 1,035,972
Pimco All Asset All Authority Institutional Class	99,531	1,116,750	1,103,794
Vanguard Small Cap Index Fund	7,791	223,652	301,980
Harbor International Fund	3,402	201,768	211,361
Federated International Leaders Fund	7,726	164,803	207,298
Vanguard 500 Index Fund	1,447	172,247	190,125
T Rowe Price Value Fund	6,231	92,484	164,374
Vanguard Morgan Growth Fund	8,060	87,382	160,399
Other stocks and funds		4,702,345	5,260,573
Total Global Equity Securities		<u>7,804,776</u>	<u>8,635,876</u>
Debt Securities:			
Vanguard Total Bond Market Index Fund	68,266	763,101	757,068
Vanguard Bond Index Fund	20,962	209,176	232,471
Vanguard Inflation Protected Securities Fund	15,614	198,953	226,874
Federated Total Return Bond Fund	18,173	193,094	204,998
American Mortgage Fund Class A	17,990	182,714	182,782
Metropolitan West Total Return Bond Fund	12,507	131,167	136,197
Cash, other bonds and funds		1,602,302	1,620,726
Total Debt Securities		<u>3,280,507</u>	<u>3,361,116</u>
Discretionary Securities:			
Templeton Global Bond Fund	17,267	235,367	230,338
Fidelity New Markets Income Fund	6,578	106,313	117,085
Touchstone Sands Capital Institutional Growth Fund	8,872	107,000	111,081
Aberdeen Asia Pacific Income Fund	12,500	75,850	96,750
First Eagle Gold Fund	4,087	93,715	91,385
American High Income Trust Class A	7,661	77,446	87,023
SPDR Gold Trust	500	37,696	81,010
Other stocks and funds		323,937	311,384
Total Discretionary Securities		<u>1,057,324</u>	<u>1,126,056</u>
Valued Using Level 2 Inputs			
TIFF Multi-Asset Fund	740,893	9,559,253	11,706,110
Valued Using Level 3 Inputs			
Common Fund		61,593	75,858
Total Investments		<u>\$ 21,763,453</u>	<u>\$ 24,905,016</u>

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

Investments at December 31, 2011, are summarized below:

	Shares	Cost	Market Value
Valued Using Level 1 Inputs			
Global Equity Securities:			
Vanguard 500 Index Fund	6,453	\$ 803,933	\$ 747,212
Harbor International Fund	5,087	291,500	266,844
Vanguard Small Cap Index Fund	7,649	218,055	255,395
Vanguard Total International Stock Fund	18,531	205,767	242,022
Vanguard Morgan Growth Fund	13,288	148,115	232,146
T. Rowe Price Value Fund	10,285	154,191	231,829
Federated International Leaders Fund	10,689	228,000	222,121
T. Rowe Price Emerging Markets Fund	4,839	164,755	139,509
Other stocks and funds		3,876,152	4,002,702
Total Global Equity Securities		6,090,468	6,339,780
Debt Securities:			
Vanguard Total Bond Market Index Fund	56,672	564,689	623,394
Vanguard Bond Index Fund	20,302	201,845	223,317
Vanguard Inflation Protected Securities Fund	15,059	190,868	212,478
Federated Total Return Bond Fund	18,173	193,094	204,998
Vanguard Short Term Bond Fund	14,789	157,311	156,914
Vanguard Short Term Investment Fund	14,624	155,550	155,609
Cash, other bonds and funds		1,815,537	1,835,980
Total Debt Securities		3,278,894	3,412,690
Discretionary Securities:			
Templeton Global Bond Fund	16,031	219,209	198,308
SPDR Gold Trust	700	52,221	106,393
Aberdeen Asia Pacific Income Fund	12,500	75,850	91,625
Sunamerica Alternative	8,814	90,000	88,854
First Eagle Gold Fund	2,961	66,445	86,654
Other stocks and funds		827,099	779,556
Total Discretionary Securities		1,330,824	1,351,390
Valued Using Level 2 Inputs			
TIFF Multi-Asset Fund	706,226	9,013,604	10,268,529
Valued Using Level 3 Inputs			
Common Fund		35,000	35,000
Total Investments		\$ 19,748,790	\$ 21,407,389

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

Investment performance for the Foundation during the years ended December 31, 2012 and 2011, consists of:

	2012	2011
Interest and dividend income	\$ 546,915	\$ 822,632
Realized capital gains and losses	777,724	302,764
Net change in unrealized appreciation/(depreciation) of assets	1,465,368	(1,424,033)
	<u>\$ 2,790,007</u>	<u>\$ (298,637)</u>

The Foundation maintains its investments with several investment institutions covered under the Securities Investor Protection Corporation (SIPC). The accounts are insured by the SIPC up to \$500,000, including a maximum of \$100,000 for cash claims. The SIPC does not insure against a decrease in value of stocks, instead the SIPC replaces missing stocks and other securities, if an investment firm fails. At December 31, 2012 and 2011, the Foundation had \$17,875,713 and \$14,997,986, respectively, of uninsured investment balances

During 2011 The Foundation subscribed to acquire a limited Partnership interest in Commonfund Capital Partners V, L.P. (CCPV). Its commitment is for up to one million dollars; the total commitment of all partners is approximately \$33,205,000. The Partnership agreement specifies the rights and obligations of the partner. There are substantial penalties for a defaulting limited partner.

CCPV will seek investments in a diversified pool of U.S. and global private equity and venture capital funds. Capital commitments will be made to or in different geographic, industry and stage of investment strategies, some of which (40%-50%) will be direct with the balance committed to multi-manager investment partnerships.

While the Commonfund has a long record of success, the investment is subject to the risks of investing generally, as well as, risks applicable to private equity, global and venture capital investing. In addition, the investment may generate unrelated business taxable income (UBTI) for the Foundation. UBTI in excess of \$1,000 per year is generally taxable at regular corporate rates and reported on IRS Form 990-T annually.

During 2012 and 2011, capital calls (generally due within seven days), aggregating \$35,000 were made.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 4. Contributions

During the years ended December 31, 2012 and 2011, the Foundation received contributions of \$2,832,835 and \$1,405,745, respectively. The balance was received by FPI. In addition to these gifts, the Foundation has been advised by various individuals that the Foundation is a named beneficiary under their respective wills and/or other instruments.

The Foundation accepts gifts under agreements whereby it agrees to provide the return on investment on the assets to the qualified non-profit organization that provided the resources. Other gifts are received to underwrite grant-making, events or publication costs. Additional funds were established during the year to benefit various charities, churches, and schools as well as the Foundation's discretionary fund.

Donor Advised Funds

The Foundation maintains donor-advised funds whereby funds are separately identified by reference to contributions by donors. The Foundation owns and controls the asset(s), and a donor has, or expects to have, advisory privileges with respect to distributions from the fund. The Foundation has exclusive legal control over all assets contributed to each fund and no contribution may be used to fulfill any pledge or provide any private benefit to any donor or advisor.

A summary of activity in donor-advised funds for 2012 is as follows:

	Number of funds	Amount
Donor-advised funds January 1, 2012	28	\$ 5,427,065
Reclassification of Fund	(1)	-
Contributions to establish Funds		
Centre County Bar Association Fund	1	15,000
Navy League of the United States Central PA Council Fund	1	20,754
Contributions to existing funds	-	316,981
Investment gains	-	583,405
Grants paid	-	(201,528)
Fees and charges	-	-
Donor-advised funds December 31, 2012	<u>29</u>	<u>\$ 6,161,677</u>

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 4. Contributions (Continued)

Estate of Kathryn K. Shoemaker

The Foundation has been named as a beneficiary of a trust under the will of Kathryn K. Shoemaker. At December 31, 2012, approximately \$6.55 million is held in the trust by Merrill Lynch Trust Company, to benefit designated charitable organizations in Centre County. The will specifies that the Trustee shall work in conjunction with the Foundation in the investment, reinvestment, distribution of assets and distribution of income under the terms, conditions and guidelines in place and established by the Foundation. The Board of Directors of the Foundation may replace the trustee, in its sole discretion, if it believes a change will be to the benefit of the charitable beneficiaries. During 2012 and 2011, \$251,384 and \$262,077 was received and included as contribution income, and \$248,212 and \$279,639 is included in grant expense, respectively. At December 31, 2012 and 2011, respectively, the Foundation held \$80,788 and \$83,216 pending further disposition. The trust has been recognized by the Internal Revenue Service as a public charity under section 509(a)(3) and not as a private foundation inasmuch as it is a Type III Supporting Organization (supporting the Foundation).

The Knight Foundation

The Foundation is the recipient of a multi-year challenge grant from the John S. and James L. Knight Foundation to assist the launch of a regional 2-1-1 information and referral service in Central Pennsylvania.

The Foundation has partnered with the Community Help Center in State College, PA as lead agency and Huntingdon County Community Action Agency, Linkage Lycoming and Contact Altoona.

Terms of the \$225,000 grant require the Foundation to provide \$223,000 in matching funds in cash or firm pledges. During 2012, the Foundation received \$163,702 in matching funds. Expenses under the program were \$312,270 to establish the call center.

The Foundation was also awarded a Library Grant to significantly improve access to and utilization of broadband internet for rural residents of Centre County, Pennsylvania through the Centre County Federation of Public Libraries.

This is a \$350,000 two-year project. The first installment of \$200,000 was received in December 2010. The remaining payment of \$150,000 will be released within 60 days of the Knight Foundation receiving a satisfactory progress report(s) on the program. During 2012, the Foundation expended \$65,704 in support of this program.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 5. Property and Equipment

During 2004, FPI received, as a contribution, real estate valued at \$431,000.

	Life in Years	2012	2011
Land	-	\$ 43,100	\$ 43,100
Building and improvements	20.0 - 37.5	398,549	398,550
Furniture, fixtures and equipment	3.0 - 10.0	111,556	101,556
Less accumulated depreciation		(152,354)	(132,544)
		<u>\$ 400,851</u>	<u>\$ 410,662</u>

During the years ended December 31, 2012 and 2011, FPI received \$0 and \$7,450 in income and paid \$9,814 and \$17,617 in maintenance and miscellaneous operating expenses, respectively.

Depreciation expense is computed on the straight-line method, and amounted to \$19,810 and \$18,500 for the years ended December 31, 2012 and 2011, respectively.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 6. Charitable Gift Annuities

At times, the Foundation enters into charitable gift annuity contracts, under which the Foundation receives cash or securities in exchange for fixed monthly payments to the annuitant(s). The contracts terminate upon the death of the annuitant(s), at which time the remaining assets become the property of the Foundation and a fund is established for charitable purposes. Utilizing various discount, annuity and mortality factors, the portion of the total payments which exceeds the present value of the future benefits to the annuitant(s), is recorded as a contribution. The balance is recognized as a liability.

A summary of the contracts in place as of December 31, 2012 and 2011, is as follows:

Year Established	Initial Deposit	Annuity Rate	Original Liability	2012 Liability	2011 Liability
2002	\$ 25,000	6.60%	\$ 20,543	\$ 13,304	\$ 14,215
2003	15,000	6.30%	10,393	5,620	6,247
2003	25,000	6.40%	16,590	9,317	10,330
2006	50,000	5.90%	32,091	27,140	28,118
2008	20,000	7.80%	11,070	-	8,015
2010	50,000	6.30%	30,814	26,983	28,820
2010	100,000	9.50%	34,258	17,790	25,472
				<u>\$ 100,154</u>	<u>\$ 121,217</u>

Included in investments is a separately-managed pool of assets with a market value of \$272,220 and \$270,802 at December 31, 2012 and 2011, respectively, held to fund the Foundation's obligations under these contracts.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 7. Unrestricted Net Assets

The Foundation recognizes several designations of its net assets:

Undesignated funds: Includes funds to give grants to areas of changing community needs. The Grants and Distributions Committee of the Foundation uses the distributions from these funds for efforts throughout the region.

Donor-advised funds: These funds, while owned and controlled by the Foundation, were provided by donors who expect to have advisory privileges with respect to charitable distributions from the fund, by reason of their status as a donor.

Designated funds: These include funds established by organizations naming themselves as beneficiary, funds established by donors identifying a charitable recipient, and scholarship funds.

Designated for administrative expenses of CCCF: Includes funds, distributions from which (under the spending policy) are utilized for the administrative expenses of the Foundation.

The Foundation's policy is to assess each fund a quarterly allocation of the administrative expenses based upon the spending needs of the Foundation. Such amounts are credited to unrestricted discretionary funds designated to offset administrative expenses. For the years ended December 31, 2012 and 2011, the Foundation assessed \$399,882 and \$299,379, respectively against the various named, designated and donor-advised funds.

For the years ended December 31, 2012 and 2011, grants were awarded and payments totaling \$1,374,300 and \$891,841, respectively, were made to a wide variety of charities, organizations and scholarship recipients. These grants benefited social service agencies, local churches, education, the environment, the arts, and many other causes. These amounts include so-called pass-through grants received expressly for grant making as well as grants resulting from the Foundation's spending policy.

Note 8. Fundraising Expenses and Events

Total fundraising expenses for the years ended December 31, 2012 and 2011, were \$45,721 and \$44,981 respectively. Fundraising expenses were primarily related to the direct appeals for funds, advertising and special events.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

NOTES TO FINANCIAL STATEMENTS

Note 9. Advertising Expense

Advertising costs are expensed as paid and are included in fundraising expenses. The Foundation did not incur any advertising expenses for the year ending December 31, 2012. Total advertising expenses for the year ended December 31, 2011 was \$14,394.

Note 10. Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk include cash and cash equivalents. Management believes that the financial risks associated with these financial instruments are minimal. At times, cash and cash equivalent balances in the Foundation's accounts may exceed FDIC limits.

Note 11. Defined Contribution Plan

The Foundation offers its employees a SIMPLE IRA plan under Section 408(p) of the Internal Revenue Code. Eligibility is limited to employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year and employees who have received at least \$5,000 in compensation during any preceding calendar year.

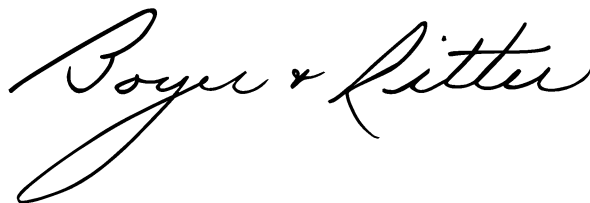
An eligible employee may make an election to have his or her compensation for each pay period reduced. The total amount of the reduction in the employee's compensation for the calendar year cannot exceed the applicable amount for that year. The Foundation contributes 3% of the employee's compensation and employer contributions to the simple IRA for the years ended December 31, 2012 and 2011, were \$5,504 and \$4,609, respectively.

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Directors
Centre County Community Foundation, Inc. and
Affiliates
State College, Pennsylvania

We have audited the financial statements of Centre County Community Foundation, Inc. and Affiliates as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon, dated October 8, 2013, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is 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 audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



State College, Pennsylvania
October 8, 2013

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND
December 31, 2012 and 2011**

	2012	2011
M.W. and Margaret S. Schreffler Fund	\$ 2,263,602	\$ 2,128,733
Funds to Benefit State College Area School District	2,066,886	1,836,731
The Knight Foundation Fund	1,563,713	1,212,806
Centre County Community Foundation Administrative Fund	958,863	819,097
Discretionary Fund	815,310	699,379
Kathryn S. Weaver Fund	778,418	730,883
Carl and Josephine Gettig Memorial Fund	731,099	-
The XYZ Fund	551,039	517,809
Susan G. Peters Fund for Centre County Women's Resource Center	454,272	426,963
Ford B. and Rhea V. Cole Fund	434,369	407,968
Ralph McCook Fund for the Juniata Valley Council of Boy Scouts	381,762	358,812
Knight Foundation Operating Endowment Fund	378,674	355,954
Michael Davis Mattil Memorial Scholarship Fund	337,892	317,280
Sahakian Family Fund	330,512	295,136
Carolyn A. Petrus Memorial Seeing Eye Fund	327,271	150,474
AAUW State College (PA) Branch Scholarship Fund	319,672	299,354
Donald M. and Mildred D. Woomer Fund	316,336	297,111
1377 Ridge Master	294,363	314,789
Hubert H. and Helen M. Haugh Fund	287,393	270,145
Harold M. and Florence I. Biddle Fund	260,372	244,332
Counseling Services Fund	210,672	197,571
Delbert E. and Helen C. Myers Fund	210,062	197,292
25th Anniversary Fund	200,314	186,152
Fred C. and M. Joan Thompson Fund	195,952	182,366
Esther and Edward Strause Fund	188,979	176,553
Mabel Jean Martin Fund	188,827	177,351
George A. and Margaret M. Downsbrough	187,419	169,242
Patricia Farrell Music Fund	164,436	103,236
William W. and Helen S. Litke Memorial Fund	162,230	120,068
Rhoneymeade Fund	158,333	169,309
Barry and Karen Drake Fund	143,103	133,740
Joe and Sue Paterno Family Fund	141,697	132,878
Centre County Youth Service Bureau Endowment Fund	137,920	125,219
Centre County United Way Fund	136,717	126,463
John E. Wilkinson Fund for St. John's Episcopal Church	136,687	128,312
R. Paul and Ora M. Campbell Fund	134,657	126,447
ClearWater Conservancy Fund	129,857	121,133
Nittany Valley Symphony Endowment Fund II	128,692	120,710
Nittany Valley Symphony Endowment Fund	118,543	111,222

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
Louise W. Hamilton Fund	117,541	110,499
American Dream Housing Fund	115,467	85,782
Historic Bellefonte, Inc. Fund	108,802	98,227
Diane V. Moore Memorial Fund	108,142	99,274
Centre County Women's Resource Center Fund	106,899	99,770
Gordon D. & Alice R. Kissinger Fund in Memory of Jack Kissinger	104,870	98,590
Knight Library Grant Fund	104,274	172,590
Robert Perks Memorial Fund	103,815	85,701
Centre County PAWS Fund	102,815	96,017
Mattil Family Fund	102,447	95,920
Chelius Family Fund	102,128	96,076
Clare Dahlia Snetsinger Memorial Art Scholarship Fund	101,564	91,714
Nelle Flack Fund	100,778	94,742
Joy Hartsock Wallace Fund	100,401	94,326
Centre Volunteers in Medicine Fund	99,902	92,924
Sidney and Helen Friedman Fund	99,799	97,832
Eugene and Lydia Herman Family Fund	97,552	91,668
Charles & Bella Schlow/Harold & Irma Schlow Zipser Fund	97,128	91,225
Richard and Sally Kalin Fund	96,727	87,346
Blake and Linda Gall Fund	95,466	89,625
E. F. "Pat" and Jane Houser Family Scholarship Fund	93,689	88,159
Eugene W. Lederer Fund	92,840	87,349
Chernega Family Fund	92,427	88,035
Janet A. Williamson Fund	92,047	86,601
Bender Family Fund	91,914	83,000
Robison Family Dental Fund	90,499	85,079
Philip and Virginia Walker Family Fund	87,336	82,014
Big Brothers/Big Sisters Program Fund	87,027	80,343
Herschel W. and Eileen Wirtshafter Leibowitz Family Fund	86,697	78,141
Kathryn K. and Roy D. Shoemaker Charitable Trust	86,389	83,216
Osher Lifelong Learning Institute (OLLI) at Penn State Fund	86,060	57,537
Endowment Fund for St. John's Episcopal Church	83,684	78,599
J Alvin and Vera E Knepper Hawbaker Fund	82,428	77,469
Mary Jane and Paul A. Rishel Fund	81,509	76,611
Julia and Ray C. Noll Memorial Scholarship Fund	78,074	73,380
Duane O. and Martha J. Callahan Fund	76,503	71,728
Knight 211 Grant Fund	74,725	223,037
Richard H. Lear Fund	74,592	60,945

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
Ruth Grier Robinson Fund	73,388	-
Millbrook Marsh Nature Center Fund	71,580	67,223
Ben and Doris Niebel Family Fund	71,127	66,804
Sherm Lutz/Fillmore Methodist Church	70,950	66,673
Sherm Lutz/Spring Creek Presbyterian Church	70,752	66,487
The State Theatre Endowment Fund	70,589	66,011
Mattil CGA2	70,276	64,870
Colonel Gerald F. Russell Scholarship Fund	69,298	56,921
The Discovery Space Fund	69,164	62,883
Central Pennsylvania Festival of the Arts Fund	66,328	62,117
Bald Eagle Area School District Memorial Fund	64,104	59,265
Albert Ayers Fund	62,636	58,830
Louis and Patricia Silvi Children's Fund	60,179	54,343
Choral Society Youth Chorale Festival	56,373	42,618
Schlow Library Endowment Fund	56,329	52,629
Melvin Bennett Fund	56,098	52,675
Christina F Pootjes Fund	56,075	-
The American Red Cross Fund	55,901	52,505
Helen G. Oldham Schlow Memorial Library Fund	53,511	49,236
Food Bank of the State College Area Fund	53,157	47,250
DeJong Oratorio Performance Endowment Fund	53,100	44,568
The Tides Fund for Grieving Children	52,591	2,513
William Keno Beezer Scholarship Fund	52,394	47,123
Centre County Federation of Public Libraries	52,247	24,566
A Laura Mateer Fund	51,817	48,667
Dr. William J. and Helen L. Schwartz/Centre Community Hospital Fund	50,183	45,833
William E. and Lois C. McTurk Fund	49,970	-
James and Barbara Palmer Fund	49,126	46,132
Robert W. Potter Fund	47,757	44,719
Dorothy and Paul Rigby Fund	46,242	43,207
Mount Nittany Medical Center Fund	46,020	41,444
Ruth E. Rishel Charitable Fund	44,941	39,675
Lt. Col. Robert and Lois Barraclough Humanitarian Fund	44,531	40,212
Elizabeth C. West Memorial/P.E.O. Sisterhood Fund	43,398	40,061
Barry and Patti Fisher Fund	42,299	39,580
Interfaith Mission of State College Area Fund	42,216	38,487
Centre Lifelink EMS Endowment Fund	41,835	39,303
Heidi Michelle Lingle Memorial Scholarship Fund	41,643	37,252

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
Ralph and Elizabeth Yeager / Schlow Centre Region Library Fund	41,529	39,029
Houtz-Meyers-Rose American Legion	41,468	33,875
Ben Franklin Fund	41,448	38,914
Roy Buck Fund	41,091	38,615
Park Forest Day Nursery Fund	40,782	36,522
Leadership Centre County	40,149	34,625
Richard and Cheryl Campbell Fund	39,469	24,699
State College Choral Society Fund	39,394	29,471
The Golden Rule Fund	38,135	34,437
Meals On Wheels Fund	37,878	34,315
State College Family YMCA Fund	37,624	31,254
The Second Mile Fund	36,749	33,185
Abbey Yeagley Memorial Figure Skating	35,780	32,311
Penns Valley Area School District Award Fund	34,644	28,560
James and Jeanne Swistock Fund	34,527	32,347
Scott Michael Long Memorial Scholarship Fund	34,495	31,081
Philipsburg Area Fund	34,330	31,563
Richard J. (Dick) Rhoades Bald Eagle Area School District Wrestling Fund	34,176	30,862
Dr. Hugh J. Rogers Memorial Fund	33,992	30,170
Rose Cologne Memorial Educational Scholarship Fund for Tri-County	33,829	30,548
James L. and Martha L. Starling Fund	33,001	30,873
Centre County Historical Society Fund	32,337	30,357
Heckendorn Family Fund	31,817	20,303
ClearWater Conservancy Conservation Easement Stewardship Fund	31,399	29,457
Bill Gebhardt Fund for Children	30,970	27,966
Centre County Association of Schools	30,703	27,634
Bellefonte Lions Club Memorial Scholarship Fund	30,671	28,785
Bryce and Jonelle Jordan Fund	30,578	28,720
John E. and Henrietta H. Baylor Fund	30,053	27,138
Centre Volunteers in Medicine Dental Fund	29,604	27,717
Penns Valley Area School District Fund	29,572	27,929
Sylvia Stein Memorial/Schlow Library Endowment Fund	29,367	27,592
The Proud To Be An American Fund	29,171	27,121
Maude Freeby Fund for the American Red Cross	29,143	27,386
Robert and Marjorie Manning Fund	29,030	25,209
The Global Connections Fund	28,910	25,406
Penns Valley Area Historical Museum Association Fund	28,859	26,093
Maneval Family Fund II	28,685	26,957

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
RE/MAX Centre Realty Fund	28,379	26,261
Inez "Snookie" Williams Memorial	28,357	26,547
Samuel H. and Trudy Foner Levine Fund	28,089	26,232
Martin and Margaret Wyand Music Fund	28,081	26,161
Fred and Anita Coombs Fund/Millbrook Marsh	27,964	26,233
Edward and Deborah Klevans Fund	27,802	25,106
UNA-USA Centre County Endowment Fund	27,689	26,017
Leon R. and Elizabeth M. Kneebone Fund	27,626	25,962
Morrow Family Fund	27,215	24,996
Anonymous Fund I	27,100	25,451
Evelyn and LeeRoy Toney Fund	26,960	25,309
Martha Rabinowitz Memorial Fund	26,931	25,291
Nancy Addison Memorial Fund	26,863	24,717
Randall C. Miller Fund	26,775	24,938
Robert P. Campbell Fund	26,506	24,833
L. Peter Gold Memorial Music Fund	26,471	24,829
Pennsylvania Recreation and Park Society Endowment Fund	26,331	24,698
4-H Clubs of Centre County Fund	26,298	24,660
Maneval Family Fund IV	26,179	24,304
Mount Nittany Conservancy Fund	26,177	24,352
John R. Miller, Jr. Memorial Fund	26,156	23,705
Lederer Family Fund	25,985	24,386
Rita K. and Robert L. Kidwell Fund	25,934	24,326
Harold and Nancy O'Connor Fund	25,897	22,163
Maneval Family Fund III	25,496	23,923
Bellefonte Education Foundation Fund	25,321	22,865
William H. and Sandra K. Rockey Fund	25,258	23,732
Centre County Library and Historical Museum Fund	25,129	23,586
Melissa K. and Robert A. Heydenreich Fund	24,791	23,273
Bob and Donna Vallimont Scholarship	24,685	18,269
David and Carol Ann Nevins Fund	24,615	22,997
Marian Faris Fund	24,528	23,037
Hope for Kids, Inc. Fund	24,516	23,033
Centre County Medical Society Fund	23,840	22,291
Delbert E. and Helen C. Myers Fund for the Benefit of United Way	23,817	22,361
Boalsburg Heritage Museum Association	23,366	21,956
Maneval Family Fund V	23,266	21,809
Louis E. and Patricia H. Silvi Fund	22,929	21,562

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
George and Barbara Apaliski Family Fund	22,649	20,451
Maneval Family Fund VII	21,430	10,243
Central Pennsylvania Festival of the Arts Fund	21,367	19,876
Navy League of the United States Central PA	21,325	-
Dr. John L. Brown Jr. Memorial school	20,908	96
Ling-Wen Hu Fund	20,739	19,417
William M. and Stella M. Updegraff CGA	20,562	18,699
Strouse CGA	20,402	17,898
Bellefonte YMCA Fund	20,229	18,268
Rohrbeck CGA	19,902	17,987
Tri-County Habitat for Humanity Fund	19,244	17,378
Patricia and Stephen Benkovic Fund	18,989	17,844
Carl and Janet Hill Family Fund	18,695	13,117
The R Fund	18,158	16,119
Maneval Family Fund I	17,426	16,376
Centre Gives Fund	16,594	-
The Mimi Fund	16,496	15,250
Centre County Bar Association Fund	15,283	-
The Memorial Fund	14,932	12,128
Bellefonte Kiwanis Club	14,748	13,317
The Stump Family Music Fund	13,650	12,606
Morgan-Moerdyk CGA 2	13,504	12,112
PEO Scholarship Fund	12,785	12,131
The State College Community Land Trust	12,371	11,084
R. Riggs and Gloria Griffith Fund	12,211	10,577
Community Help Centre Fund	12,120	11,377
Paul & K.C. Sheeler Family Fund	11,773	8,804
Thomas F Songer III and Sarah M Songer	11,724	10,587
Skills of Central Pennsylvania Fund	11,567	10,644
The Zion Lutheran Church of Boalsburg	11,525	8,511
Morgan-Moerdyk CGA	11,422	10,298
Directors Fund for Shavers Creck	11,344	10,833
Maneval Family Fund VI	11,172	10,422
Harris Township Lions Donor Advised	10,867	10,205
Diabetic Sight-Loss Support Fund	10,327	9,652
Jean W. McManis Heritage Fund	9,375	8,810
Grey and Mary Nelo Tressler Heritage Fund	9,302	8,750
Richard and Sally Kalin Heritage Fund	9,186	8,642

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
Suzanne Lyons and J. Robert Nuss Jr.	8,570	3,919
Jennifer Goetz CGA	15,997	7,718
Reverend Robert Miller Fund	7,427	6,707
The House of Care Fund	7,237	5,617
Mary Ann Sabolsice Fund	6,356	5,739
Janet Atwood Fund	6,335	5,721
Centre County Housing and Land Trust	5,403	4,879
Marcon Family Fund	5,385	-
Fred Farber Fund	4,679	4,387
Tom and Barbara Mebane Fund	3,464	3,030
Theresa Wong Memorial Scholarship Fund	2,988	2,698
The Housing Transitions Fund	2,949	2,663
Mealz on D'Wheelz Fund Master	2,683	2,442
Janell F Becker Memorial Fund	2,484	2,243
Morgan Valley Road	1,279	1,279
Carolyn A. Petrus Memorial Centre Co.	-	18
	<u>\$ 25,616,217</u>	<u>\$ 22,307,559</u>

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND
December 31, 2012 and 2011**

	2012	2011
Funds to Benefit State College Area School District		
S C A S D LifeLink Fund	\$ 111,064	\$ 103,831
The Crescendo Fund	101,654	95,509
Hogan and Grace Markle Fund	98,012	91,875
Educational Incentives Fund Master	91,359	85,059
Martha W. Fleming Memorial Scholarship Fund	67,518	63,222
Superintendent's Fund for Instructional Innovation	65,586	61,455
Extracurricular Awards Fund Master	60,580	62,716
Richard A. Queeney Fund for Educational Opportunity	56,138	51,873
Kyle Russell Callahan Scholarship Fund	55,680	38,964
Life Long Readers Fund	52,956	49,321
Music Umbrella Fund	49,577	35,224
Thomas G. Haugh Memorial Scholarship Fund	46,397	43,630
Jerome Tanner Memorial Scholarship Fund	45,957	42,875
Mincemoyer Family Fund	43,808	40,694
Boalsburg Fire Company Memorial Scholarship Fund	43,445	30,506
Scholarship Fund	42,906	39,202
Recognition Awards Fund	41,678	51,051
Karen Bruno Ganter Memorial Fund	37,416	34,845
Patrick Y. Wang Technology Innovation Fund	35,841	31,936
Centre Lifelink EMS Sara Dunlap Scholarship Fund	35,495	33,099
Donald W. Carruthers, Jr. Memorial Scholarship Fund	31,828	29,673
Laura S Jones Memorial Award Master	31,197	29,231
John Bolash Triple A Award	30,695	28,132
Jeremy T Sente Memorial	30,357	28,304
Ann L. Infield Memorial Fund for Track and Field	30,130	28,288
C. Morris Lutz Memorial Scholarship Fund	29,745	27,945
SCASD Community Education Endowment	29,714	23,917
Brenda Jo Van Tries Memorial Scholarship	29,453	27,141
Joan Virginia Almquist Fund	27,221	25,473
Margaret (Marge) Brouse Antes Thespian Fund	27,041	25,442
Donald J. Willower Memorial Fund	26,423	24,826
Gerald B. M. and Sylvia Stein Fund	25,898	24,324
Leslie Savino Memorial Fund	25,739	24,068
Helen J. Small Memorial Endowment Fund	25,427	23,766
SCAHS Alumni Association Fund	25,246	23,700
William and Dorothy Floyd Babcock Fund	25,089	23,570

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2012 and 2011**

	2012	2011
Marc D. Shapiro Charitable & Educational Scholarship	22,443	21,180
John Glenn Kovalchik Memorial Scholarship Fund	22,220	20,415
Queeney Family Fund	22,120	20,725
SCASD Student Activities Support Fund	21,748	20,407
Naomi A. and Floyd B. Fischer LifeLink Fund	21,748	20,361
James N. Karl and Daniel F. Fisher BEA School Reading Fund	21,110	-
Radio Park Elementary School Educational Initiatives Fund	20,175	18,955
Library Memorial Endowment	19,796	18,547
Annalee Henderson Faculty Award Fund	19,420	18,242
Ron Pavlechko-Gwen Washington Heart	17,581	15,599
Sherm Reichard Memorial Fund	17,518	13,955
Stefan H. Umberger Memorial Award Fund	16,415	15,386
John and Betty Baker Memorial Fund	15,579	14,582
Class of 1954 Fund	13,586	-
Anonymous Scholarship	13,490	-
Retired Faculty Educational Initiative Fund	12,661	11,674
Robert M. Marciniak Memorial Scholarship Fund	11,734	10,942
Shiri Berg First Flute Memorial Awards Fund	11,315	10,598
Shetler Family Athletic Fund	11,125	10,000
Adam Hartwell Sunbeam Endowment Fund	10,915	-
Harris Township Lions Scholarship Fund	10,878	10,204
Builders Association of Central PA	10,797	10,115
Fred Kissinger State High Boys Golf Award Fund	10,176	-
Skip Coleman Memorial Fund	9,897	9,247
State High Vision Courageous Citizen Fund	8,966	8,096
Ralph L. Montresor Baseball Award Fund	8,297	7,795
Raymond Shibley Fund	7,325	6,882
Dianne Maser Memorial Scholarship Fund	7,313	6,861
Eugene R. Brooks Memorial Fund	7,087	6,657
William G. and Karen K. Mastin Family Scholarship Fund	6,290	2,009
Dick Morgan Award Fund	2,891	2,610
	\$ 2,066,886	\$ 1,836,731

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINING STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS
December 31, 2012**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holdings, LLC
ASSETS					
Cash, including money market funds	\$ 281,555	\$ -	\$ 278,333	\$ 3,222	\$ -
Investments (at market value):					
TIFF Multi-Asset Fund	11,706,110	-	11,706,110	-	-
Global equity securities	8,635,876	-	8,635,876	-	-
Debt and fixed income securities	3,361,116	-	3,361,116	-	-
Other securities, discretionary class	1,201,914	-	1,201,937	(23)	-
Total investments	24,905,016	-	24,905,039	(23)	-
Property and equipment - net	400,851	-	46,963	353,888	-
Intercompany advances	-	(62,767)	61,488	-	1,279
Cash surrender value of life insurance policies	130,003	-	130,003	-	-
Total assets	\$ 25,717,425	\$ (62,767)	\$ 25,421,826	\$ 357,087	\$ 1,279
LIABILITIES					
Intercompany liability	\$ -	\$ (62,767)	\$ -	\$ 62,767	\$ -
Other current liabilities	1,054	-	1,054	-	-
Charitable gift annuities	100,154	-	100,154	-	-
Total liabilities	101,208	(62,767)	101,208	62,767	-
NET ASSETS					
Unrestricted					
Undesignated	5,516,387	-	5,220,788	294,320	1,279
Designated, donor-advised funds	6,161,677	-	6,161,677	-	-
Designated for charitable organizations	11,873,668	-	11,873,668	-	-
Designated for administrative expenses of CCCF	2,064,485	-	2,064,485	-	-
Total unrestricted net assets	25,616,217	-	25,320,618	294,320	1,279
Total liabilities and net assets	\$ 25,717,425	\$ (62,767)	\$ 25,421,826	\$ 357,087	\$ 1,279

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINING STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS**

December 31, 2011

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holdings, LLC
ASSETS					
Cash, including money market funds	\$ 483,383	\$ -	\$ 480,347	\$ 3,036	\$ -
Investments (at market value):					
TIFF Multi-Asset Fund	10,268,529	-	10,268,529	-	-
Global equity securities	6,339,780	-	6,339,780	-	-
Debt and fixed income securities	3,412,690	-	3,412,690	-	-
Other securities, discretionary class	1,386,390	-	1,386,390	-	-
Total investments	21,407,389	-	21,407,389	-	-
Property and equipment - net	410,662	-	46,141	364,521	-
Intercompany advances	-	(52,767)	51,488	-	1,279
Cash surrender value of life insurance policies	127,342	-	127,342	-	-
Total assets	\$ 22,428,776	\$ (52,767)	\$ 22,112,707	\$ 367,557	\$ 1,279
LIABILITIES					
Intercompany liability	\$ -	\$ (52,767)	\$ -	\$ 52,767	\$ -
Charitable gift annuities	121,217	-	121,217	-	-
Total liabilities	121,217	(52,767)	121,217	52,767	-
NET ASSETS					
Unrestricted					
Undesignated	4,873,433	-	4,557,364	314,790	1,279
Designated, donor-advised funds	5,427,065	-	5,427,065	-	-
Designated for charitable organizations	10,278,003	-	10,278,003	-	-
Designated for administrative expenses of CCCF	1,729,058	-	1,729,058	-	-
Total unrestricted net assets	22,307,559	-	21,991,490	314,790	1,279
Total liabilities and net assets	\$ 22,428,776	\$ (52,767)	\$ 22,112,707	\$ 367,557	\$ 1,279

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINING STATEMENTS OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN
UNRESTRICTED NET ASSETS - MODIFIED CASH BASIS
Year Ended December 31, 2012**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holdings, LLC
Support and Revenue					
Contributions	\$ 2,832,835	\$ -	\$ 2,832,835	\$ -	\$ -
Interest and dividends	546,915	-	546,919	(4)	-
Gain on termination of contract	7,551	-	7,551	-	-
Special events	2,440	-	2,440	-	-
Total unrestricted support and revenue	3,389,741	-	3,389,745	(4)	-
Expenses					
Distributions to charities	1,374,300	-	1,374,300	-	-
Other program expenses - Knight Funds	377,975	-	377,975	-	-
Personnel	233,730	-	233,730	-	-
Investment management and administration fees	54,432	-	54,432	-	-
Administrative and general	161,132	-	152,369	8,763	-
Professional	50,328	-	49,277	1,051	-
Fundraising expenses and events	45,721	-	45,721	-	-
Depreciation	19,810	-	9,178	10,632	-
Charitable gift annuity distribution	6,747	-	6,747	-	-
Total expenses	2,324,175	-	2,303,729	20,446	-
Net realized and unrealized capital gains and (losses)	2,243,092	-	2,243,112	(20)	-
Decrease in unrestricted net assets	3,308,658	-	3,329,128	(20,470)	-
Unrestricted Net Assets:					
January 1, 2012	22,307,559	-	21,991,490	314,790	1,279
December 31, 2012	\$ 25,616,217	\$ -	\$ 25,320,618	\$ 294,320	\$ 1,279

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
AFFILIATES**

**COMBINING STATEMENTS OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN
UNRESTRICTED NET ASSETS - MODIFIED CASH BASIS**

Year Ended December 31, 2011

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holding, LLC
Support and Revenue					
Contributions	\$ 1,413,195	\$ -	\$ 1,405,745	\$ 7,450	\$ -
Interest and dividends	822,632	-	822,632	-	-
Special events	10,960	-	10,960	-	-
Total unrestricted support and revenue	2,246,787	-	2,239,337	7,450	-
Expenses					
Distributions to charities	891,841	-	891,841	-	-
Other program expenses - Knight Funds	107,527	-	107,527	-	-
Personnel	208,416	-	208,416	-	-
Investment management and administration fees	43,783	-	43,783	-	-
Administrative and general	107,444	-	91,370	16,074	-
Professional	40,994	-	39,451	1,543	-
Fundraising expenses and events	44,981	-	44,981	-	-
Depreciation	18,500	-	7,868	10,632	-
Charitable gift annuity distribution	8,230	-	8,230	-	-
Total expenses	1,471,716	-	1,443,467	28,249	-
Net realized and unrealized capital gains and (losses)	(1,121,269)	-	(1,121,269)	-	-
Increase (decrease) in unrestricted net assets	(346,198)	-	(325,399)	(20,799)	-
Unrestricted Net Assets:					
January 1, 2011	22,653,757	-	22,316,889	335,589	1,279
December 31, 2011	\$ 22,307,559	\$ -	\$ 21,991,490	\$ 314,790	\$ 1,279