

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

FINANCIAL REPORT

DECEMBER 31, 2013

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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, 2013 and 2012, 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 the audits 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 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, 2013 and 2012, 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.

Other Matter

Our audits were conducted 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.

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
August 11, 2014

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

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

December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash, including money market funds	\$ 145,008	\$ 281,555
Investments (at market value):		
TIFF Multi-Asset Fund	13,346,945	11,706,110
Global equity securities	11,568,019	8,635,876
Debt and fixed income securities	3,843,676	3,361,116
Discretionary securities	776,718	1,201,914
Total investments	29,535,358	24,905,016
Property and equipment - net	426,292	400,851
Cash surrender value of life insurance policies	149,407	130,003
Total assets	\$ 30,256,065	\$ 25,717,425
LIABILITIES		
Other current liabilities	\$ 1,191	\$ 1,054
Charitable gift annuities	86,164	100,154
Total liabilities	87,355	101,208
NET ASSETS		
Unrestricted		
Undesignated	6,006,340	5,516,387
Designated, donor-advised funds	7,325,652	6,161,677
Designated for charitable organizations	14,351,062	11,873,668
Designated for administrative expenses of CCCF	2,485,656	2,064,485
Total unrestricted net assets	30,168,710	25,616,217
Total liabilities and net assets	\$ 30,256,065	\$ 25,717,425

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, 2013 and 2012

	2013	2012
Support and Revenue		
Contributions	\$ 3,240,014	\$ 2,832,835
Interest and dividends	732,022	546,915
Gain on termination of contract	-	7,551
Special events	7,340	2,440
Total unrestricted support and revenue	3,979,376	3,389,741
Expenses		
Distributions to charities	1,662,064	1,374,300
Other program expenses - Knight Funds	173,235	377,975
Personnel	224,861	233,730
Investment management and administration fees	46,239	54,432
Administrative and general	207,304	161,132
Professional	33,844	50,328
Fundraising expenses and events	33,529	45,721
Depreciation	24,218	19,810
Charitable gift annuity distribution	5,806	6,747
Total expenses	2,411,100	2,324,175
Net realized and unrealized capital gains	2,984,217	2,243,092
Increase in unrestricted net assets	4,552,493	3,308,658
Unrestricted Net Assets:		
Beginning	25,616,217	22,307,559
Ending	\$ 30,168,710	\$ 25,616,217

See Notes to Combined Financial Statements.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 remainders 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 THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

Investments (Continued)

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.

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, 4.5% and 4% for 2013 and 2012 respectively, 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 2010 through 2012 remain open to IRS examination.

Subsequent Events: The Foundation has evaluated subsequent events through August 11, 2014, the date on which the financial statements were available to be issued.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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.

As of December 31, 2013, the single largest holding of CCCF is 820,845 shares of the Multi-Asset Fund (MAF) held at The Investment Fund for Foundations (TIFF) with a cost basis of \$10,845,794 and a market value of \$13,346,945. As of December 31, 2012, 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.

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, 2013, the TIFF Multi-Asset fund was allocated (at market value) approximately 51% to global equity securities, 29% to fixed income (cash and inflation linked bonds) and 20% 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 THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 3. Investments (Continued)

Investments at December 31, 2013, are summarized below:

	Shares	Cost	Market Value
Valued Using Level 1 Inputs			
Global Equity Securities:			
First Eagle Global A Fund	22,318	\$ 1,095,178	\$ 1,196,470
Pimco All Asset All Authority Institutional Class	98,125	1,095,061	971,433
Vanguard 500 Index Fund	1,807	227,376	307,780
American Growth Fund of America	4,545	158,706	195,433
Vanguard Small Cap Index Fund	7,894	228,941	416,172
American Washington Mutual Investors Fund	6,240	199,762	246,049
International Growth & Income Fund	6,552	229,274	229,589
T Rowe Price Value Fund	6,724	170,437	227,080
Oakmont International Fund	6,805	166,974	179,116
T Rowe Price Growth Fund	3,980	136,989	209,202
Other stocks and funds		5,653,608	7,389,695
Total Global Equity Securities		9,362,306	11,568,019
Debt Securities:			
Templeton Global Bond Fund	18,020	245,291	235,882
Franklin Strategic Series Income Fund	19,102	200,000	200,000
American Bond Fund fo America	16,310	202,132	202,240
Federated Intermediate Corporate Bond Fund	14,701	147,580	139,361
Vanguard Short Term Bond Fund	68,840	730,765	722,128
Vanguard Short Term Investment Fund	13,141	141,649	140,608
Other bonds and funds		2,213,438	2,203,457
Total Debt Securities		3,880,855	3,843,676
Discretionary Securities:			
American Tower Corporation Real Estate Investment Trust	1,500	110,378	119,730
Dodge & Cox Income Fund	6,241	85,000	84,438
American High Income Trust Class A	8,154	83,055	92,627
Blackrock High Yield Bond Portfolio	6,238	62,567	63,382
Oppenheimer Senior Floating Rate Y	6,039	50,500	50,788
Other stocks and funds		170,525	189,895
Total Discretionary Securities		562,025	600,860
Valued Using Level 2 Inputs			
TIFF Multi-Asset Fund	820,845	10,854,794	13,346,945
Valued Using Level 3 Inputs			
Common Fund		161,593	175,858
Total Investments		\$ 24,821,573	\$ 29,535,358

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 3. Investments (Continued)

Investment performance for the Foundation during the years ended December 31, 2013 and 2012, consists of:

	2013	2012
Interest and dividend income	\$ 732,022	\$ 546,915
Realized capital gains and losses	1,394,781	777,724
Net change in unrealized appreciation/(depreciation) of assets	1,589,436	1,465,368
	<u>\$ 3,716,239</u>	<u>\$ 2,790,007</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, 2013 and 2012, the Foundation had \$20,623,662 and \$17,875,713, 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 \$93,128,600. 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 2013 and 2012, capital calls (generally due within seven days), aggregating \$100,000 and \$35,000 were made.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 4. Contributions

During the years ended December 31, 2013 and 2012, the Foundation received contributions of \$3,240,014 and \$2,832,835, respectively. 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 2013 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	2	35,754
Contributions to existing funds	-	316,981
Investment gains	-	583,405
Grants paid	-	(201,528)
Fees and charges	-	-
Donor-advised funds December 31, 2012	29	\$ 6,161,677
Contributions to existing funds	-	611,935
Investment gains	-	893,986
Grants paid	-	(252,254)
Fees and charges	-	(89,692)
Donor-advised funds December 31, 2013	29	\$ 7,325,652

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013, approximately \$7.11 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 2013 and 2012, \$292,570 and \$251,384 was received and included as contribution income, and \$279,478 and \$248,212 is included in grant expense, respectively. At December 31, 2013 and 2012, respectively, the Foundation held \$99,480 and \$80,788 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 2013, the Foundation did not receive any matching funds. During 2012 and 2011, the Foundation received \$163,702 and \$1236,659, respectively, in matching funds. During 2013, 2012 and 2011, expenses under the program were \$74,785, \$312,270 and \$79,409, respectively, 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 was originally a \$350,000 2-year project. After the original \$200,000 was received, it was determined through discussions with the Foundation and the Library, that the remaining payment of \$150,000 was not needed to complete the implementation of the project. At the end of 2013, \$8,597 remained available to spend on the project.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 5. Property and Equipment

During 2004, FPI received, as a contribution, real estate valued at \$431,000. During April 2013, FPI and the Teaberry Ridge Homeowners Maintenance Corporation reached an agreement whereby the Foundation will occupy this real estate as its “primary home” for twenty-five years. Upon the earlier of the twenty-five year term or the cessation of occupancy by the Foundation, FPI will offer to transfer the property to the Association for one dollar. The twenty five year term begins the earlier of occupancy of the building or July 31, 2014.

	Life in Years	2013	2012
Land	-	\$ 43,100	\$ 43,100
Building and improvements	20.0 - 37.5	416,124	398,549
Furniture, fixtures and equipment	3.0 - 10.0	143,641	111,556
Less accumulated depreciation		(176,573)	(152,354)
		<u>\$ 426,292</u>	<u>\$ 400,851</u>

During the years ended December 31, 2013 and 2012, FPI paid \$12,672 and \$9,814 in maintenance and miscellaneous operating expenses, respectively.

Depreciation expense is computed on the straight-line method, and amounted to \$24,218 and \$19,810 for the years ended December 31, 2013 and 2012, respectively.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 and 2012, is as follows:

Year Established	Initial Deposit	Annuity Rate	Original Liability	2013 Liability	2012 Liability
2002	\$ 25,000	6.60%	\$ 20,543	\$ 12,344	\$ 13,304
2003	15,000	6.30%	10,393	4,958	5,620
2003	25,000	6.40%	16,590	8,243	9,317
2006	50,000	5.90%	32,091	26,090	27,140
2010	50,000	6.30%	30,814	25,058	26,983
2010	100,000	9.50%	34,258	9,471	17,790
				<u>\$ 86,164</u>	<u>\$ 100,154</u>

Included in investments is a separately-managed pool of assets with a market value of \$284,113 and \$272,220 at December 31, 2013 and 2012, respectively, held to fund the Foundation's obligations under these contracts.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 and 2012, the Foundation assessed \$315,889 and \$399,882, respectively against the various named, designated and donor-advised funds.

For the years ended December 31, 2013 and 2012, grants were awarded and payments totaling \$1,662,064 and \$1,374,300, 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, 2013 and 2012, were \$33,529 and \$45,721 respectively. Fundraising expenses were primarily related to the direct appeals for funds, advertising and special events.

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 and December 31, 2012.

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 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 a match of up to 3% of the employee's compensation and employer contributions to the simple IRA for the years ended December 31, 2013 and 2012, were \$6,792 and \$5,504, respectively.

SUPPLEMENTARY INFORMATION

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
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**COMBINED SCHEDULES OF NET ASSETS BY FUND
December 31, 2013 and 2012**

	2013	2012
M.W. and Margaret S. Schreffler Fund	\$ 2,461,014	\$ 2,263,602
Funds to Benefit State College Area School District	2,311,472	2,066,886
The Knight Foundation Fund	2,244,249	1,563,713
Centre County Community Foundation Administrative Fund	1,256,932	958,863
Discretionary Fund	838,882	815,310
Kathryn S. Weaver Fund	844,881	778,418
Carl and Josephine Gettig Memorial Fund	789,724	731,099
The XYZ Fund	599,311	551,039
Rudy J. and Annamae Labor Memorial Scholarship Fund	591,367	-
Susan G. Peters Fund for Centre County Women's Resource Center	493,527	454,272
Ford B. and Rhea V. Cole Fund	470,694	434,369
Ralph McCook Fund for the Juniata Valley Council of Boy Scouts	414,751	381,762
Knight Foundation Operating Endowment Fund	411,550	378,674
Tom and Barbara Mebane Fund	408,231	3,464
Sahakian Family Fund	376,018	330,512
Carolyn A. Petrus Memorial Seeing Eye Fund	375,010	327,271
Michael Davis Mattil Memorial Scholarship Fund	367,245	337,892
AAUW State College (PA) Branch Scholarship Fund	347,803	319,672
Donald M. and Mildred D. Woomer Fund	342,788	316,336
Hubert H. and Helen M. Haugh Fund	312,239	287,393
Harold M. and Florence I. Biddle Fund	282,879	260,372
1377 Ridge Master	271,028	294,363
Counseling Services Fund	229,817	210,672
Delbert E. and Helen C. Myers Fund	227,680	210,062
Fred C. and M. Joan Thompson Fund	221,698	195,952
25th Anniversary Fund	218,394	200,314
George A. and Margaret M. Downs brough	212,044	187,419
Esther and Edward Strause Fund	209,778	188,979
Mabel Jean Martin Fund	204,616	188,827
William W. and Helen S. Litke Memorial Fund	196,825	162,230
Patricia Farrell Music Fund	183,583	164,436
Barry and Karen Drake Fund	161,906	143,103
Joe and Sue Paterno Family Fund	156,758	141,697
Centre County Youth Service Bureau Endowment Fund	153,780	137,920
John E. Wilkinson Fund for St. John's Episcopal Church	151,537	136,687
Centre County United Way Fund	150,608	136,717
Rhoneymeade Fund	146,089	158,333
R. Paul and Ora M. Campbell Fund	145,930	134,657
ClearWater Conservancy Fund	141,744	129,857

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Nittany Valley Symphony Endowment Fund II	139,748	128,692
American Dream Housing Fund	132,596	115,467
The State Theatre Endowment Fund	129,646	70,589
Robert Perks Memorial Fund	129,016	103,815
Nittany Valley Symphony Endowment Fund	128,763	118,543
Louise W. Hamilton Fund	127,564	117,541
Historic Bellefonte, Inc. Fund	123,097	108,802
Osher Lifelong Learning Institute (OLLI) at Penn State Fund	122,664	86,060
Diane V. Moore Memorial Fund	122,351	108,142
Centre County Women's Resource Center Fund	117,630	106,899
Clare Dahlia Snetsinger Memorial Art Scholarship Fund	114,909	101,564
Centre County PAWS Fund	114,531	102,815
Gordon D. & Alice R. Kissinger Fund in Memory of Jack Kissinger	113,919	104,870
Joy Hartsock Wallace Fund	113,593	100,401
Mattil Family Fund	112,755	102,447
Ouwehand Family Fund	111,814	-
Chelius Family Fund	110,945	102,128
Centre Volunteers in Medicine Fund	109,467	99,902
Nelle Flack Fund	109,377	100,778
Sidney and Helen Friedman Fund	108,041	99,799
Chernega Family Fund	106,786	92,427
Richard and Sally Kalin Fund	105,952	96,727
Eugene and Lydia Herman Family Fund	105,919	97,552
Charles & Bella Schlow/Harold & Irma Schlow Zipser Fund	105,249	97,128
Bender Family Fund	103,991	91,914
Blake and Linda Gall Fund	103,932	95,466
Kathy Palmer Outreach Fund	102,112	-
E. F. "Pat" and Jane Houser Family Scholarship Fund	101,660	93,689
Eugene W. Lederer Fund	100,849	92,840
Janet A. Williamson Fund	99,988	92,047
Kathryn K. and Roy D. Shoemaker Charitable Trust	99,482	86,389
Robison Family Dental Fund	98,221	90,499
Herschel W. and Eileen Wirtshafter Leibowitz Family Fund	96,483	86,697
Big Brothers/Big Sisters Program Fund	95,661	87,027
Philip and Virginia Walker Family Fund	94,939	87,336
Endowment Fund for St. John's Episcopal Church	90,871	83,684
J Alvin and Vera E Knepper Hawbaker Fund	89,572	82,428
Mary Jane and Paul A. Rishel Fund	88,481	81,509

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Julia and Ray C. Noll Memorial Scholarship Fund	84,847	78,074
Duane O. and Martha J. Callahan Fund	83,076	76,503
Richard H. Lear Fund	82,225	74,592
Ruth Grier Robinson Fund	79,717	73,388
Colonel Gerald F. Russell Scholarship Fund	79,132	69,298
Millbrook Marsh Nature Center Fund	77,732	71,580
Mattil CGA2	77,434	70,276
Ben and Doris Niebel Family Fund	77,075	71,127
The Discovery Space Fund	77,041	69,164
Sherm Lutz/Fillmore Methodist Church	77,020	70,950
Sherm Lutz/Spring Creek Presbyterian Church	76,805	70,752
Central Pennsylvania Festival of the Arts Fund	72,116	66,328
Mimi Barash Copersmith Fund for Girls Scouts in the Heart of PA	71,094	-
Bald Eagle Area School District Memorial Fund	71,046	64,104
Choral Society Youth Chorale Festival	69,479	56,373
Louis and Patricia Silvi Children's Fund	68,086	60,179
Albert Ayers Fund	67,874	62,636
Christina F Pootjes Fund	63,443	56,075
Schlow Library Endowment Fund	61,206	56,329
Melvin Bennett Fund	60,793	56,098
Centre County Federation of Public Libraries	60,699	52,247
The American Red Cross Fund	60,686	55,901
Food Bank of the State College Area Fund	59,749	53,157
The Tides Fund for Grieving Children	59,501	52,591
Helen G. Oldham Schlow Memorial Library Fund	59,138	53,511
William Keno Beezer Scholarship Fund	58,996	52,394
DeJong Oratorio Performance Endowment Fund	58,381	53,100
A Laura Mateer Fund	56,150	51,817
Dr. William J. and Helen L. Schwartz/Centre Community Hospital Fund	55,123	50,183
Barry and Patti Fisher Fund	54,635	42,299
William E. and Lois C. McTurk Fund	54,295	49,970
James and Barbara Palmer Fund	53,424	49,126
Mount Nittany Medical Center Fund	52,066	46,020
Robert W. Potter Fund	51,932	47,757
Dorothy and Paul Rigby Fund	50,233	46,242
Ruth E. Rishel Charitable Fund	50,127	44,941
Lt. Col. Robert and Lois Barraclough Humanitarian Fund	48,527	44,531
Elizabeth C. West Memorial/P.E.O. Sisterhood Fund	48,408	43,398

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Leadership Centre County	48,096	40,149
Ben Franklin Fund	46,893	41,448
Interfaith Mission of State College Area Fund	45,973	42,216
Heidi Michelle Lingle Memorial Scholarship Fund	45,684	41,643
Houtz-Meyers-Rose American Legion	45,653	41,468
Centre Lifelink EMS Endowment Fund	45,421	41,835
Ralph and Elizabeth Yeager / Schlow Centre Region Library Fund	45,082	41,529
Park Forest Day Nursery Fund	44,808	40,782
Roy Buck Fund	44,608	41,091
Richard and Cheryl Campbell Fund	43,693	39,469
State College Choral Society Fund	43,514	39,394
The Golden Rule Fund	43,146	38,135
State College Family YMCA Fund	42,568	37,624
Meals On Wheels Fund	42,349	37,878
Heckendorn Family Fund	41,435	31,817
Maneval Family Fund VII	40,322	21,430
Centre Children's Fund	40,072	36,749
Rose Cologne Memorial Educational Scholarship Fund for Tri-County	39,412	33,829
Abbey Yeagley Memorial Figure Skating	38,949	35,780
Penns Valley Area School District Award Fund	38,330	34,644
Philipsburg Area Fund	37,949	34,330
Scott Michael Long Memorial Scholarship Fund	37,560	34,495
Dr. Hugh J. Rogers Memorial Fund	37,560	33,992
James and Jeanne Swistock Fund	37,505	34,527
Richard J. (Dick) Rhoades Bald Eagle Area School District Wrestling Fund	37,155	34,176
James L. and Martha L. Starling Fund	35,997	33,001
Centre County Historical Society Fund	35,120	32,337
Bill Gebhardt Fund for Children	35,039	30,970
Centre County Association of Schools	34,837	30,703
ClearWater Conservancy Conservation Easement Stewardship Fund	34,100	31,399
John E. and Henrietta H. Baylor Fund	34,001	30,053
Bellefonte Lions Club Memorial Scholarship Fund	33,285	30,671
The Global Connections Fund	33,209	28,910
Bryce and Jonelle Jordan Fund	33,135	30,578
The Proud To Be An American Fund	33,004	29,171
Centre Volunteers in Medicine Dental Fund	32,147	29,604
Penns Valley Area School District Fund	32,007	29,572
Sylvia Stein Memorial/Schlow Library Endowment Fund	31,884	29,367

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Maude Freeby Fund for the American Red Cross	31,639	29,143
Robert and Marjorie Manning Fund	31,610	29,030
Edward and Deborah Klevans Fund	31,455	27,802
Penns Valley Area Historical Museum Association Fund	31,352	28,859
Maneval Family Fund II	31,140	28,685
RE/MAX Centre Realty Fund	31,120	28,379
Inez "Snookie" Williams Memorial	30,843	28,357
Martin and Margaret Wyand Music Fund	30,730	28,081
Samuel H. and Trudy Foner Levine Fund	30,634	28,089
Morrow Family Fund	30,593	27,215
Fred and Anita Coombs Fund/Millbrook Marsh	30,422	27,964
Harold and Nancy O'Connor Fund	30,412	25,897
UNA-USA Centre County Endowment Fund	30,059	27,689
Leon R. and Elizabeth M. Kneebone Fund	29,990	27,626
Evelyn and LeeRoy Toney Fund	29,869	26,960
Nancy Addison Memorial Fund	29,461	26,863
Anonymous Fund I	29,363	27,100
Randall C. Miller Fund	29,362	26,775
John R. Miller, Jr. Memorial Fund	29,327	26,156
Martha Rabinowitz Memorial Fund	29,216	26,931
Mount Nittany Conservancy Fund	28,787	26,177
L. Peter Gold Memorial Music Fund	28,775	26,471
Robert P. Campbell Fund	28,766	26,506
Pennsylvania Recreation and Park Society Endowment Fund	28,711	26,331
Bellefonte Education Foundation Fund	28,648	25,321
4-H Clubs of Centre County Fund	28,598	26,298
Maneval Family Fund IV	28,572	26,179
Lederer Family Fund	28,170	25,985
Rita K. and Robert L. Kidwell Fund	28,121	25,934
Maneval Family Fund III	27,707	25,496
Melissa K. and Robert A. Heydenreich Fund	27,493	24,791
William H. and Sandra K. Rockey Fund	27,420	25,258
Centre County Library and Historical Museum Fund	27,303	25,129
David and Carol Ann Nevins Fund	26,763	24,615
Hope for Kids, Inc. Fund	26,616	24,516
Marian Faris Fund	26,580	24,528
Bob and Donna Vallimont Scholarship	26,131	24,685
Centre County Medical Society Fund	26,044	23,840

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
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**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Delbert E. and Helen C. Myers Fund for the Benefit of United Way	25,854	23,817
Boalsburg Heritage Museum Association	25,468	23,366
Maneval Family Fund V	25,278	23,266
Central Pennsylvania Festival of the Arts Fund	24,938	21,367
Louis E. and Patricia H. Silvi Fund	24,879	22,929
Strouse CGA	24,729	20,402
George and Barbara Apaliski Family Fund	24,569	22,649
Navy League of the United States Central PA	24,533	21,325
William M. and Stella M. Updegraff CGA	24,281	20,562
Dr. John L. Brown Jr. Memorial School	23,656	20,908
Rohrbeck CGA	23,174	19,902
Bellefonte YMCA Fund	22,887	20,229
Ling-Wen Hu Fund	22,531	20,739
Tri-County Habitat for Humanity Fund	21,773	19,244
Carl and Janet Hill Family Fund	21,223	18,695
The R Fund	20,786	18,158
Patricia and Stephen Benkovic Fund	20,613	18,989
Centre County Bar Association Fund	19,791	15,283
Maneval Family Fund I	18,917	17,426
The Mimi Fund	18,278	16,496
The Memorial Fund	17,337	14,932
Bellefonte Kiwanis Club	16,685	14,748
Morgan-Moerdyk CGA 2	15,793	13,504
Morgan-Moerdyk CGA	15,001	11,422
The Stump Family Music Fund	14,958	13,650
PEO Scholarship Fund	14,763	12,785
The State College Community Land Trust	14,174	12,371
Paul & K.C. Sheeler Family Fund	13,822	11,773
R. Riggs and Gloria Griffith Fund	13,815	12,211
Thomas F Songer III and Sarah M Songer	13,264	11,724
Community Help Centre Fund	13,151	12,120
Jennifer Goetz CGA	17,537	15,997
Jean and Kevin Morooney Girls Soccer Fund	17,273	-
Jack C. and Mary L. Falk Fund	15,076	-
Spring Creek Chapter of Trout Unlimited Endowment Fund	13,142	-
Olin Butt Music Scholarship Fund	13,015	-
The Zion Lutheran Church of Boalsburg	13,139	11,525
Skills of Central Pennsylvania Fund	12,557	11,567

(Continued)

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
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**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Helen Sue Litke Forman Fund	12,381	-
Directors Fund for Shavers Crrek	12,313	11,344
Harris Township Lions Donor Advised	12,294	10,867
Centre Gives Fund	12,247	16,594
Maneval Family Fund VI	12,180	11,172
Suzanne Lyons and J. Robert Nuss Jr.	11,999	8,570
Marcon Family Fund	11,470	5,385
Glenn W and Nancy S Gamble Fund	11,353	-
Diabetic Sight-Loss Support Fund	11,257	10,327
Helen and Chet Behr Fund	10,557	-
Alfred Jones Jr. Fund	10,328	-
Heberta Lundegren	10,222	-
Jean W. McManis Heritage Fund	10,191	9,375
Grey and Mary Nelo Tressler Heritage Fund	10,105	9,302
Richard and Sally Kalin Heritage Fund	9,980	9,186
The House of Care Fund	9,193	7,237
Knight Library Grant Fund	8,597	104,274
Reverend Robert Miller Fund	8,403	7,427
Nittany Valley Renaissance Fund	7,783	-
Mary Ann Sabolsice Fund	7,191	6,356
Janet Atwood Fund	7,168	6,335
Centre County Housing and Land Trust	6,113	5,403
Denny R. Moore Memorial Award Fund	5,422	-
Music at Penn's Woods Festival Fund	5,399	-
Central Pennsylvania Festival of the Arts Sharon McCarthy Award Fund	5,389	-
Jeremy Wise Football Scholarship Fund	5,153	-
Fred Farber Fund	5,076	4,679
Child Access Center Fund	3,769	-
Theresa Wong Memorial Scholarship Fund	3,381	2,988
The Housing Transitions Fund	3,337	2,949
Novak Fellowship Fund	3,130	-
Mealz on D'Wheelz Fund Master	3,009	2,683
Janell F Becker Memorial Fund	2,810	2,484
Morgan Valley Road	1,279	1,279
Knight 211 Grant Fund	-	74,725
	\$ 30,168,710	\$ 25,616,217

**CENTRE COUNTY COMMUNITY FOUNDATION, INC. AND
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**COMBINED SCHEDULES OF NET ASSETS BY FUND
December 31, 2013 and 2012**

	2013	2012
Funds to Benefit State College Area School District		
S C A S D LifeLink Fund	\$ 121,010	\$ 111,064
The Crescendo Fund	110,393	101,654
Hogan and Grace Markle Fund	106,254	98,012
Educational Initiatives Fund Master	99,813	91,359
Martha W. Fleming Memorial Scholarship Fund	75,010	67,518
Superintendent's Fund for Instructional Innovation	71,338	65,586
Extracurricular Awards Fund Master	66,412	60,580
Richard A. Queeney Fund for Educational Opportunity	61,652	56,138
Kyle Russell Callahan Scholarship Fund	75,515	55,680
Life Long Readers Fund	57,854	52,956
Music Umbrella Fund	56,682	49,577
Thomas G. Haugh Memorial Scholarship Fund	50,351	46,397
Jerome Tanner Memorial Scholarship Fund	50,176	45,957
Mincemoyer Family Fund	47,588	43,808
Boalsburg Fire Company Memorial Scholarship Fund	48,026	43,445
Scholarship Fund	47,004	42,906
Recognition Awards Fund	45,587	41,678
Karen Bruno Ganter Memorial Fund	40,827	37,416
Patrick Y. Wang Technology Innovation Fund	40,392	35,841
Centre Lifelink EMS Sara Dunlap Scholarship Fund	38,567	35,495
Donald W. Carruthers, Jr. Memorial Scholarship Fund	34,788	31,828
Laura S Jones Memorial Award Master	33,913	31,197
John Bolash Triple A Award	34,253	30,695
Jeremy T Sente Memorial	33,109	30,357
Ann L. Infield Memorial Fund for Track and Field	32,738	30,130
C. Morris Lutz Memorial Scholarship Fund	32,304	29,745
SCASD Community Education Endowment	35,656	29,714
Brenda Jo Van Tries Memorial Scholarship	32,158	29,453
Joan Virginia Almquist Fund	29,592	27,221
Margaret (Marge) Brouse Antes Thespian Fund	29,743	27,041
Donald J. Willower Memorial Fund	28,695	26,423
Gerald B. M. and Sylvia Stein Fund	28,129	25,898
Leslie Savino Memorial Fund	28,070	25,739
Helen J. Small Memorial Endowment Fund	27,998	25,427
SCAHS Alumni Association Fund	27,516	25,246
William and Dorothy Floyd Babcock Fund	27,249	25,089

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)
December 31, 2013 and 2012**

	2013	2012
Marc D. Shapiro Charitable & Educational Scholarship	24,344	22,443
John Glenn Kovalchik Memorial Scholarship Fund	24,735	22,220
Queeney Family Fund	24,043	22,120
SCASD Student Activities Support Fund	23,622	21,748
Naomi A. and Floyd B. Fischer LifeLink Fund	48,670	21,748
James N. Karl and Daniel F. Fisher BEA School Reading Fund	23,884	21,110
Radio Park Elementary School Educational Initiatives Fund	21,910	20,175
Library Memorial Endowment	21,518	19,796
Annalee Henderson Faculty Award Fund	21,092	19,420
Ron Pavlechko-Gwen Washington Heart	20,237	17,581
Sherm Reichard Memorial Fund	20,290	17,518
Stefan H. Umberger Memorial Award Fund	17,944	16,415
John and Betty Baker Memorial Fund	16,951	15,579
Class of 1954 Fund	15,315	13,586
Anonymous Scholarship	15,311	13,490
Retired Faculty Educational Initiative Fund	16,028	12,661
Robert M. Marciniak Memorial Scholarship Fund	12,800	11,734
Shiri Berg First Flute Memorial Awards Fund	12,305	11,315
Shetler Family Athletic Fund	12,631	11,125
Adam Hartwell Sunbeam Endowment Fund	12,399	10,915
Harris Township Lions Scholarship Fund	11,805	10,878
Builders Association of Central PA	11,741	10,797
Fred Kissinger State High Boys Golf Award Fund	11,513	10,176
Skip Coleman Memorial Fund	10,769	9,897
State High Vision Courageous Citizen Fund	10,144	8,966
Ralph L. Montresor Baseball Award Fund	9,011	8,297
Raymond Shibley Fund	7,954	7,325
Dianne Maser Memorial Scholarship Fund	7,950	7,313
Eugene R. Brooks Memorial Fund	7,697	7,087
William G. and Karen K. Mastin Family Scholarship Fund	7,226	6,290
Dick Morgan Award Fund	3,271	2,891
	\$ 2,311,472	\$ 2,066,886

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

**COMBINING STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS
December 31, 2013**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holdings, LLC
ASSETS					
Cash, including money market funds	\$ 145,008	\$ -	\$ 143,653	\$ 1,355	\$ -
Investments (at market value):					
TIFF Multi-Asset Fund	13,346,945	-	13,346,945	-	-
Global equity securities	11,568,019	-	11,568,019	-	-
Debt and fixed income securities	3,843,676	-	3,843,676	-	-
Other securities, discretionary class	776,718	-	776,718	-	-
Total investments	29,535,358	-	29,535,358	-	-
Property and equipment - net	426,292	-	83,036	343,256	-
Intercompany advances	-	(73,622)	72,343	-	1,279
Cash surrender value of life insurance policies	149,407	-	149,407	-	-
Total assets	\$ 30,256,065	\$ (73,622)	\$ 29,983,797	\$ 344,611	\$ 1,279
LIABILITIES					
Intercompany liability	\$ -	\$ (73,622)	\$ -	\$ 73,622	\$ -
Other current liabilities	1,191	-	1,191	-	-
Charitable gift annuities	86,164	-	86,164	-	-
Total liabilities	87,355	(73,622)	87,355	73,622	-
NET ASSETS					
Unrestricted					
Undesignated	6,006,340	-	5,734,072	270,989	1,279
Designated, donor-advised funds	7,325,652	-	7,325,652	-	-
Designated for charitable organizations	14,351,062	-	14,351,062	-	-
Designated for administrative expenses of CCCF	2,485,656	-	2,485,656	-	-
Total unrestricted net assets	30,168,710	-	29,896,442	270,989	1,279
Total liabilities and net assets	\$ 30,256,065	\$ (73,622)	\$ 29,983,797	\$ 344,611	\$ 1,279

**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 SUPPORT AND REVENUE, EXPENSES AND CHANGES IN
UNRESTRICTED NET ASSETS - MODIFIED CASH BASIS
Year Ended December 31, 2013**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holdings, LLC
Support and Revenue					
Contributions	\$ 3,240,014	\$ -	\$ 3,240,014	\$ -	\$ -
Interest and dividends	732,022	-	732,022	-	-
Special events	7,340	-	7,340	-	-
Total unrestricted support and revenue	3,979,376	-	3,979,376	-	-
Expenses					
Distributions to charities	1,662,064	-	1,662,064	-	-
Other program expenses - Knight Funds	173,235	-	173,235	-	-
Personnel	224,861	-	224,861	-	-
Investment management and administration fees	46,239	-	46,239	-	-
Administrative and general	207,304	-	195,487	11,817	-
Professional	33,844	-	32,989	855	-
Fundraising expenses and events	33,529	-	33,529	-	-
Depreciation	24,218	-	13,586	10,632	-
Charitable gift annuity distribution	5,806	-	5,806	-	-
Total expenses	2,411,100	-	2,387,796	23,304	-
Net realized and unrealized capital gains and (losses)	2,984,217	-	2,984,244	(27)	-
Increase (decrease) in unrestricted net assets	4,552,493	-	4,575,824	(23,331)	-
Unrestricted Net Assets:					
January 1, 2013	25,616,217	-	25,320,618	294,320	1,279
December 31, 2013	\$ 30,168,710	\$ -	\$ 29,896,442	\$ 270,989	\$ 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 Holding, 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)	-
Increase (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