

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

**FINANCIAL REPORT**

**DECEMBER 31, 2010**

# CONTENTS

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1
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## FINANCIAL STATEMENTS

Combined Statements of Assets, Liabilities and Net Assets - Modified Cash Basis	2
Combined Statements of Support and Revenue, Expenses and Changes in Unrestricted Net Assets - Modified Cash Basis	3
Notes to Financial Statements	4 - 17

---

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	18
--	----

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Combined Schedules of Net Assets by Fund	19 - 26
Combining Statements of Assets, Liabilities and Net Assets - Modified Cash Basis	27 - 28
Combining Statements of Support and Revenue, Expenses and Changes in Unrestricted Net Assets - Modified Cash Basis	29 - 30

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined statements of assets, liabilities and net assets - modified cash basis of Centre County Community Foundation, Inc. and Affiliates, as of December 31, 2010 and 2009, and the related combined statements of support and revenue, expenses and changes in unrestricted net assets - modified cash basis for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As described in Note 2 to the financial statements, these 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.

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, 2010 and 2009, and the support and revenue, expenses and changes in unrestricted net assets for the years then ended, on the basis of accounting described in Note 2.

State College, Pennsylvania  
October 3, 2011

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

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

**December 31, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Cash, including money market funds	\$ 461,636	\$ 461,686
Investments (at market value):		
TIFF Multi-Asset Fund	10,446,147	9,230,029
Global equity securities	6,266,025	6,074,550
Debt and fixed income securities	3,566,052	3,065,833
Discretionary securities	1,514,484	555,633
<b>Total investments</b>	<b>21,792,708</b>	<b>18,926,045</b>
Property and equipment - net	<b>417,780</b>	433,476
Cash surrender value of life insurance policies	<b>116,735</b>	109,252
<b>Total assets</b>	<b>\$ 22,788,859</b>	<b>\$ 19,930,459</b>
<b>LIABILITIES</b>		
Other current liabilities	\$ 760	\$ -
Charitable gift annuities	134,342	75,217
<b>Total liabilities</b>	<b>135,102</b>	<b>75,217</b>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	5,012,495	4,384,978
Designated, donor-advised funds	5,636,209	5,051,502
Designated for charitable organizations	10,351,141	8,912,588
Designated for administrative expenses of CCCF	1,653,912	1,506,174
<b>Total unrestricted net assets</b>	<b>22,653,757</b>	<b>19,855,242</b>
<b>Total liabilities and net assets</b>	<b>\$ 22,788,859</b>	<b>\$ 19,930,459</b>

See Notes to 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, 2010 and 2009**

	2010	2009
Support and Revenue		
Contributions	\$ 1,568,034	\$ 850,283
Interest and dividends	460,033	540,367
Special events	8,300	13,600
<b>Total unrestricted support and revenue</b>	<b>2,036,367</b>	<b>1,404,250</b>
Expenses		
Distributions to charities	831,021	1,077,058
Personnel	191,646	200,102
Investment management and administration fees	37,998	30,594
Administrative and general	107,973	110,558
Professional	38,981	44,293
Fundraising expenses and events	26,719	29,421
Depreciation	18,207	16,953
Charitable gift annuity distribution	5,579	4,931
<b>Total expenses</b>	<b>1,258,124</b>	<b>1,513,910</b>
Capital Gains - Net	2,020,272	3,496,291
<b>Increase in unrestricted net assets</b>	<b>2,798,515</b>	<b>3,386,631</b>
Unrestricted Net Assets:		
Beginning	19,855,242	16,468,611
Ending	<b>\$ 22,653,757</b>	<b>\$ 19,855,242</b>

See Notes to Financial Statements.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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 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**

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**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 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**

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**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**

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**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**

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**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 2010 and 2009, 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 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. The Foundation is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years before 2008.

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.

Subsequent Events: The Foundation has evaluated subsequent events through October 3, 2011, the date on which the financial statements were available to be issued.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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 671,778 shares of the Multi-Asset Fund (MAF) held at The Investment Fund for Foundations (TIFF) with a cost basis of \$8,509,565 and a market value of \$10,446,147, at December 31, 2010.

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 import expectations for long-term returns and risks associated with the various assets.

At December 31, 2010, the TIFF Multi-Asset fund was allocated (at market value) approximately 51% to global equity securities, 33% to fixed income and 16% to the discretionary classes as defined by the Foundation's Investment Committee.

Equities included high-yield bonds and real estate invested trusts, while fixed income includes cash equivalents and inflation-linked bonds. The constructed index includes total return assets, inflation hedges and all-purpose 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, 2010, are summarized below:

	Shares	Cost	Market Value
<b>Valued Using Level 1 Inputs</b>			
<b>Global Equity Securities:</b>			
Vanguard 500 Index Fund	6,319	\$ 788,714	\$ 731,953
T Rowe Price Value Fund Inc	16,163	247,543	377,245
Vanguard Morgan Growth Fund	19,686	222,806	354,933
Vanguard Total Intl Stock Index Fund	17,975	198,577	283,280
Vanguard Small-Cap Index Fund	7,546	214,614	262,457
American Century Equity Income	28,084	189,000	202,482
Other stocks and funds		3,572,591	4,053,675
<b>Total Global Equity Securities</b>		<b>5,433,845</b>	<b>6,266,025</b>
<b>Debt Securities:</b>			
Vanguard Total Bond Market Index Adm	63,456	630,212	672,632
Vanguard Bond Index Fund Inc Total Bond Mkt	19,582	194,079	207,566
Federated Total Return Bond	18,173	193,094	202,636
Blackrock Strategic	13,704	135,472	136,492
Pioneer Bond Fund	14,332	119,874	135,724
Loomis Sayles Bond Fund	11,186	114,638	135,686
Cash, other bonds and funds		2,061,934	2,075,316
<b>Total Debt Securities</b>		<b>3,449,303</b>	<b>3,566,052</b>
<b>Discretionary Securities:</b>			
Templeton Global Bond-A	16,638	192,841	226,104
Natixis Gateway Fund	5,264	132,075	137,180
Pimco Commodity Real Return	14,451	125,000	134,249
Eaton Vance Risk Managed	17,257	131,870	130,293
Cohen & Steers Realty Shares	2,224	125,000	130,004
SPDR Gold Tr	850	63,115	117,912
Other stocks and funds		540,876	638,742
<b>Total Discretionary Securities</b>		<b>1,310,777</b>	<b>1,514,484</b>
<b>Valued Using Level 2 Inputs</b>			
TIFF Multi-Asset Fund	671,778	8,509,565	10,446,147
<b>Total Investments</b>		<b>\$ 18,703,490</b>	<b>\$ 21,792,708</b>

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Investments (Continued)**

Investments at December 31, 2009, are summarized below:

	Shares	Cost	Market Value
<b>Valued Using Level 1 Inputs</b>			
<b>Global Equity Securities:</b>			
Vanguard 500 Index Fund	7,578	\$ 948,678	\$ 778,071
T Rowe Price Value Fund Inc	15,884	241,189	325,312
Vanguard Morgan Growth Fund	19,581	220,926	299,008
Vanguard Total Intl Stock Index Fund	17,691	194,172	254,930
Vanguard Small-Cap Index Fund	9,110	258,431	250,521
Jennison Growth Fund	11,136	150,000	186,860
Other stocks and funds		4,290,890	3,979,848
Total Global Equity Securities		<u>6,304,286</u>	<u>6,074,550</u>
<b>Debt and Fixed Income Securities:</b>			
Vanguard Total Bond Market Index	75,264	745,304	778,978
Federated Total Return Bond Fund	27,083	288,531	294,391
Templeton Global Bond	15,775	181,339	200,658
Vanguard Bond Index Fund Inc Total Bond Mkt	18,836	186,152	194,951
Loomis Sayles Bond Fund	16,575	161,528	192,813
Pioneer Bond Fund	19,698	159,453	177,340
Other bonds and funds		1,220,579	1,226,702
Total Debt and Fixed Income Securities		<u>2,942,886</u>	<u>3,065,833</u>
<b>Other Securities, Discretionary Class:</b>			
Other stocks and funds		524,331	555,633
<b>Valued Using Level 2 Inputs</b>			
TIFF Multi-Asset Fund	641,420	8,050,241	9,230,029
Total Investments		<u>\$ 17,821,744</u>	<u>\$ 18,926,045</u>

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 3. Investments (Continued)**

Investment performance for the Foundation during the years ended December 31, 2010 and 2009, consists of:

	2010	2009
Interest and dividend income	\$ 460,033	\$ 540,367
Realized capital gains and losses	27,872	(703,972)
Net change in unrealized appreciation/(depreciation) of assets	1,992,400	4,200,263
	<u>\$ 2,480,305</u>	<u>\$ 4,036,658</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, 2010 and 2009, the Foundation had \$14,946,839 and \$12,966,574, respectively, of uninsured investment balances under the SIPC.

**Note 4. Contributions**

During the years ended December 31, 2010 and 2009, the Foundation received contributions of \$1,558,034 and \$840,253, 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.

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 4. Contributions (Continued)**

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 2010 is as follows:

	Amount
Donor-advised funds January 1, 2010	\$ 5,051,502
Reclassification of the OFI Institutional Fund	(41,452)
Contributions	
The Knight Foundation Fund	155,000
American Dream Housing Fund	19,302
Sahakian Family Fund	15,600
The R Fund	15,200
Mealz on D'Wheelz Fund	10,260
Other	13,365
Investment gain	651,000
Grants paid	(172,477)
Fees and charges	(81,092)
Donor-advised funds December 31, 2010	<u>\$ 5,636,208</u>

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, 2010, approximately \$6.53 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 2010 and 2009, \$249,581 and \$229,800 was received and included as contribution income, and \$215,680 and \$263,290 is included in grant expense, respectively. At December 31, 2010 and 2009, respectively, the Foundation held \$106,378 and \$78,077 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).

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 4. Contributions (Continued)**

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 by September 30, 2010. At December 31, 2010, the Foundation had received and held \$40,400 in matching funds. At December 31, 2009, the Foundation had received \$102,000 from the Knight Foundation of which \$2,000 is to be applied to travel costs, and, had received and held \$25,000 in matching funds. An extension has been granted through November 1, 2011, to provide the matching funds.

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 due August 1, 2011.

**Note 5. Property and Equipment**

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

	Life in Years	2010	2009
Land	-	\$ 43,100	\$ 43,100
Building and improvements	20.0 - 37.5	398,550	398,550
Furniture, fixtures and equipment	3.0 - 10.0	90,174	87,663
Less accumulated depreciation		(114,044)	(95,837)
		<u>\$ 417,780</u>	<u>\$ 433,476</u>

During the years ended December 31, 2010 and 2009, FPI received \$10,000 and \$10,030 in income and paid \$15,801 and \$17,567 in maintenance and miscellaneous operating expenses, respectively.

Depreciation expense is computed on the straight-line method, and amounted to \$18,207 and \$16,953 for the years ended December 31, 2010 and 2009, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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, 2010 and 2009, is as follows:

Year Established	Initial Deposit	Annuity Rate	Original Liability	2010 Liability	2009 Liability
2002	\$ 25,000	6.60%	\$ 20,543	\$ 15,077	\$ 15,895
2003	15,000	6.30%	10,393	6,842	7,407
2003	25,000	6.40%	16,590	11,285	12,184
2006	50,000	5.90%	32,091	29,029	29,878
2008	20,000	7.80%	11,070	8,967	9,853
2010	50,000	6.30%	30,814	30,573	-
2010	100,000	9.50%	34,258	32,569	-
				<u>\$ 134,342</u>	<u>\$ 75,217</u>

Included in investments is a separately-managed pool of assets with a market value of \$295,892 and \$141,631 at December 31, 2010 and 2009, respectively, held to fund the Foundation's obligations under these contracts.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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, 2010 and 2009, the Foundation assessed \$266,402 and \$270,459, respectively against the various named, designated, and donor-advised funds.

For the years ended December 31, 2010 and 2009, grants were awarded and payments totaling \$831,021 and \$1,077,058, 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, 2010 and 2009, were \$26,719 and \$29,421, 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**

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**Note 9. Advertising Expense**

Advertising costs are expensed as paid and are included in fundraising expenses and events in the accompanying Statements of Support and Revenue, Expenses and Changes in Unrestricted Net Assets. Total advertising expenses for the years ended December 31, 2010 and 2009, were \$8,097 and \$4,978, respectively.

**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 for the years ended December 31, 2010 and 2009. Employer contributions to the simple IRA for the years ended December 31, 2010 and 2009, were \$4,835 and \$4,655, respectively.

**INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION**

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

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

State College, Pennsylvania  
October 3, 2011

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND  
December 31, 2010 and 2009**

	2010	2009
Discretionary Fund	\$ 685,638	\$ 611,684
Funds to Benefit State College Area School District	1,807,621	1,626,688
M.W. and Margaret S. Schreffler Fund	2,291,954	2,146,050
The Knight Foundation Fund	1,250,370	984,819
Kathryn S. Weaver Fund	785,653	737,936
Centre County Community Foundation Administrative Fund	681,230	600,784
The XYZ Fund	557,180	522,112
Susan G. Peters Fund for Centre County Women's Resource Center	459,568	431,812
Ford B. and Rhea V. Cole Fund	438,779	413,208
Ralph McCook Fund for the Juniata Valley Council of Boy Scouts	386,212	362,887
Knight Foundation Operating Endowment Fund	382,978	359,084
Michael Davis Mattil Memorial Scholarship Fund	338,188	316,003
1377 Ridge Master	335,588	352,022
Donald M & Mildred D Woomer Fund	319,554	300,946
AAUW State College (PA) Branch Scholarship Fund	308,746	277,586
Sahakian Family Fund	297,997	262,028
Hubert H. and Helen M. Haugh Fund	290,760	273,043
Harold M. and Florence I. Biddle Fund	262,250	245,514
Delbert E. and Helen C. Myers Fund	212,164	199,803
Counseling Services Fund	203,770	191,042
Knight Library Grant Fund	200,000	-
25th Anniversary Fund	195,539	169,039
Fred C. and M. Joan Thompson Fund	194,253	179,019
Mabel Jean Martin Fund	190,748	179,641
Esther and Edward Strause Fund	184,241	170,824
Rhoneymeade Fund	175,966	174,111
George A. and Margaret M. Downsborough	174,552	156,935
Knight 211 Grant Fund	165,786	127,003
Barry and Karen Drake Fund	143,326	133,805
Joe and Sue Paterno Family Fund	142,315	132,834
John E. Wilkinson Fund for St. John's Episcopal Church	137,869	128,806
R. Paul and Ora M. Campbell Fund	135,943	127,945
Centre County United Way Fund	133,960	88,354
Nittany Valley Symphony Endowment Fund II	129,116	120,716
ClearWater Conservancy Fund	128,786	99,406
Nittany Valley Symphony Endowment Fund	119,096	108,633
Louise W. Hamilton Fund	118,597	111,016
William W. and Helen S. Litke Memorial Fund	112,885	93,533

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)  
December 31, 2010 and 2009**

	2010	2009
Kathryn K. and Roy D. Shoemaker Charitable Trust	106,378	78,077
Diane V. Moore Memorial Fund	106,256	95,246
Gordon D. & Alice R. Kissinger Fund in Memory of Jack Kissinger	105,829	99,667
Centre County Women's Resource Center Fund	105,269	94,531
Chelius Family Fund	103,487	97,409
Carolyn A. Petrus Memorial Seeing Eye Fund	102,755	-
Mattil Family Fund	102,277	89,858
Centre County PAWS Fund	102,192	95,145
Nelle Flack Fund	101,697	95,770
Historic Bellefonte, Inc. Fund	101,282	91,036
Sidney and Helen Friedman Fund	100,902	-
Eugene and Lydia Herman Family Fund	98,331	92,478
Charles & Bella Schlow/Harold & Irma Schlow Zipser Fund	98,115	92,402
Joy Hartsock Wallace Fund	97,285	90,695
Blake and Linda Gall Fund	96,398	90,342
E. F. "Pat" and Jane Houser Family Scholarship Fund	95,052	89,181
Eugene W. Lederer Fund	94,101	88,569
Chernega Family Fund	93,984	87,541
Richard and Sally Kalin Fund	93,859	87,983
Centre Volunteers in Medicine Fund	93,845	86,467
Janet A. Williamson Fund	93,295	87,811
Robert Perks Memorial Fund	91,426	44,754
Robison Family Dental Fund	91,326	85,994
Bender Family Fund	88,996	82,936
Philip and Virginia Walker Family Fund	87,717	81,562
Clare Dahlia Snetsinger Memorial Art Scholarship Fund	84,878	76,311
Big Brothers/Big Sisters Program Fund	84,259	75,513
Endowment Fund for St. John's Episcopal Church	84,172	78,913
J Alvin and Vera E Knepper Hawbaker Fund	83,324	-
Mary Jane and Paul A. Rishel Fund	82,186	77,298
Julia and Ray C. Noll Memorial Scholarship Fund	79,179	74,127
Herschel W. and Eileen Wirtshafter Leibowitz Family Fund	77,299	71,726
Millbrook Marsh Nature Center Fund	72,053	67,694
Ben and Doris Niebel Family Fund	71,850	67,665
Sherm Lutz/Fillmore Methodist Church	71,538	67,337
Sherm Lutz/Spring Creek Presbyterian Church	71,337	67,149
American Dream Housing Fund	70,815	44,362
The State Theatre Endowment Fund	70,370	65,497

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)  
December 31, 2010 and 2009**

	2010	2009
Mattil CGA2	68,520	-
Duane O. and Martha J. Callahan Fund	68,185	-
Central Pennsylvania Festival of the Arts Fund	66,286	61,454
Albert Ayers Fund	63,273	59,589
Bald Eagle Area School District Memorial Fund	61,333	52,772
Melvin Bennett Fund	56,614	53,429
Colonel Gerald F. Russell Scholarship Fund	56,610	49,618
The American Red Cross Fund	56,305	52,986
Schlow Library Endowment Fund	56,300	52,371
Louis and Patricia Silvi Children's Fund	56,048	52,218
A Laura Mateer Fund	52,345	49,296
Life Long Readers Fund	52,203	45,110
William Keno Beezer Scholarship Fund	50,057	-
James and Barbara Palmer Fund	49,466	46,199
Food Bank of the State College Area Fund	49,166	44,591
Robert W. Potter Fund	47,859	44,749
Dr. William J. & Helen L. Schwartz/Centre Commun Hospital Fund	47,232	42,464
Dorothy and Paul Rigby Fund	46,136	43,107
Richard H. Lear Fund	43,639	40,678
Lt. Col. Robert and Lois Barraclough Humanitarian Fund	43,124	40,289
Mount Nittany Medical Center Fund	42,744	38,335
DeJong Oratorio Performance Endowment Fund	42,199	33,914
Centre Lifelink EMS Endowment Fund	42,145	39,595
Elizabeth C. West Memorial/P.E.O. Sisterhood Fund	42,098	38,138
Ralph and Elizabeth Yeager / Schlow Centre Region Library Fund	41,880	39,415
Ben Franklin Fund	41,840	36,993
Roy Buck Fund	41,434	38,993
Ruth E. Rishel Charitable Fund	41,344	37,599
Interfaith Mission of State College Area Fund	40,978	38,094
Heidi Michelle Lingle Memorial Scholarship Fund	37,523	32,025
Barry and Patti Fisher Fund	37,227	34,673
Park Forest Day Nursery Fund	37,176	33,648
The Golden Rule Fund	37,126	34,838
The Second Mile Fund	35,570	33,377
Meals On Wheels Fund	35,366	31,370
James and Jeanne Swistock Fund	34,515	32,227
Osher Lifelong Learning Institute (OLLI) at Penn State Fund	34,413	30,940
Choral Society Youth Chorale Festival	34,261	22,231

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)  
December 31, 2010 and 2009**

	2010	2009
Leadership Centre County	34,134	29,214
Philipsburg Area Fund	33,198	30,337
Richard J. (Dick) Rhoades Bald Eagle Area School District Wrestling Fund	33,195	31,148
Scott Michael Long Memorial Scholarship Fund	32,813	29,470
Centre County Historical Society Fund	32,508	30,354
State College Family YMCA Fund	32,106	28,776
Rose Cologne Memorial Educational Scholarship Fund for Tri-County Habitat for Humanity	31,507	27,231
ClearWater Conservancy Conservation Easement Stewardship Fund	31,504	29,492
State College Choral Society Fund	30,944	28,246
Bryce and Jonelle Jordan Fund	30,889	29,091
James L. and Martha L. Starling Fund	30,884	27,965
Bellefonte Lions Club Memorial Scholarship Fund	30,882	29,052
Houtz-Meyers-Rose American Legion	30,783	28,445
Dr. Hugh J. Rogers Memorial Fund	30,563	25,851
Penns Valley Area School District Award Fund	30,542	28,190
Penns Valley Area School District Fund	30,002	28,283
Bill Gebhardt Fund for Children	29,844	27,411
Centre Volunteers in Medicine Dental Fund	29,713	27,873
Sylvia Stein Memorial/Schlow Library Endowment Fund	29,590	27,811
Maude Freeby Fund for the American Red Cross	29,382	27,627
Patricia Farrell Music Fund	29,280	25,264
Maneval Family Fund II	28,926	27,225
Samuel H. and Trudy Foner Levine Fund	28,146	26,352
Inez "Snookie" Williams Memorial	28,062	26,061
John E. and Henrietta H. Baylor Fund	27,989	25,164
UNA-USA Centre County Endowment Fund	27,909	26,256
The Proud To Be An American Fund	27,868	25,473
Leon R. and Elizabeth M. Kneebone Fund	27,855	26,201
RE/MAX Centre Realty Fund	27,773	25,456
Centre County Association of Schools	27,468	24,605
Anonymous Fund I	27,364	25,891
Evelyn and LeeRoy Toney Fund	27,154	25,511
Robert and Marjorie Manning Fund	26,990	25,313
Martin and Margaret Wyand Music Fund	26,982	-
Penns Valley Area Historical Museum Association Fund	26,888	25,247
Edward and Deborah Klevans Fund	26,882	25,278
Randall C. Miller Fund	26,737	25,058

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)  
December 31, 2010 and 2009**

	2010	2009
Robert P. Campbell Fund	26,600	24,904
L. Peter Gold Memorial Music Fund	26,579	23,518
Pennsylvania Recreation and Park Society Endowment Fund	26,422	24,755
4-H Clubs of Centre County Fund	26,386	24,279
Lederer Family Fund	26,190	24,556
Rita K. and Robert L. Kidwell Fund	26,098	24,484
Martha Rabinowitz Memorial Fund	26,084	-
Fred and Anita Coombs Fund/Millbrook Marsh	25,911	23,067
Morrow Family Fund	25,687	24,058
Maneval Family Fund IV	25,686	23,642
Maneval Family Fund III	25,618	23,959
William H. and Sandra K. Rockey Fund	25,441	23,905
Centre County Federation of Public Libraries	25,337	-
Centre County Library and Historical Museum Fund	25,266	23,726
Helen G. Oldham Schlow Memorial Library Fund	25,093	23,618
Mount Nittany Conservancy Fund	24,869	23,295
Marian Faris Fund	24,778	23,335
Hope for Kids, Inc. Fund	24,687	23,192
Melissa K. and Robert A. Heydenreich Fund	24,541	23,007
John R. Miller, Jr. Memorial Fund	24,234	21,472
Delbert E. and Helen C. Myers Fund for the Benefit of United Way	23,998	22,593
Centre County Medical Society Fund	23,866	22,232
David and Carol Ann Nevins Fund	23,719	21,325
Bellefonte Education Foundation Fund	23,583	21,203
Richard and Cheryl Campbell Fund	23,566	16,885
Boalsburg Heritage Museum Association	23,548	22,095
Maneval Family Fund V	23,307	21,792
The Global Connections Fund	23,190	12,955
Louis E. and Patricia H. Silvi Fund	23,164	21,852
William M. and Stella M. Updegraff CGA	21,384	19,516
Harold and Nancy O'Connor Fund	21,345	17,877
Ling-Wen Hu Fund	20,719	19,219
Central Pennsylvania Festival of the Arts Fund	20,172	18,706
Centre County Youth Service Bureau Endowment Fund	19,946	18,532
Strouse CGA	19,939	-
Rohrbeck CGA	19,218	17,360
Patricia and Stephen Benkovic Fund	19,147	18,021
Bellefonte YMCA Fund	18,841	16,939

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)  
December 31, 2010 and 2009**

	2010	2009
Maneval Family Fund I	17,572	16,538
The R Fund	17,300	-
The Mimi Fund	15,792	14,086
Bob and Donna Vallimont Scholarship	14,159	12,121
Bellefonte Kiwanis Club	13,735	12,349
The Stump Family Music Fund	13,130	12,173
Morgan-Moerdyk CGA 2	13,068	11,847
The Discovery Space Fund	12,934	11,755
PEO Scholarship Fund	12,575	9,600
Community Help Centre Fund	12,177	11,342
The State College Community Land Trust	11,432	5,649
Skills of Central Pennsylvania Fund	11,381	10,233
Thomas F Songer III and Sarah M Songer	11,123	10,000
Maneval Family Fund VI	11,025	2,025
Morgan-Moerdyk CGA	10,877	9,865
Jean W. McManis Heritage Fund	9,471	8,892
Grey and Mary Nelo Tressler Heritage Fund	9,425	8,869
Richard and Sally Kalin Heritage Fund	9,308	8,762
Diabetic Sight-Loss Support Fund	9,135	8,572
Jennifer Goetz CGA	8,543	7,824
Tri-County Habitat for Humanity Fund	8,451	7,589
The Memorial Fund	7,703	-
Paul & K.C. Sheeler Family Fund	7,006	4,485
Reverend Robert Miller Fund	6,917	6,219
Mary Ann Sabolsice Fund	5,920	5,322
Janet Atwood Fund	5,796	5,211
R. Riggs and Gloria Griffith Fund	5,752	2,473
The Zion Lutheran Church of Boalsburg	4,998	-
Centre County Housing and Land Trust	4,928	2,435
The House of Care Fund	4,760	3,827
Fred Farber Fund	4,705	4,413
Tom and Barbara Mebane Fund	3,125	2,763
Theresa Wong Memorial Scholarship Fund	2,783	2,502
The Housing Transitions Fund	2,747	2,470
The Tides Fund for Grieving Children	2,592	2,331
Mealz on D'Wheelz Fund Master	2,513	-
Janell F Becker Memorial Fund	2,313	-
Morgan Valley Road	1,279	1,279
Nancy Addison Memorial Fund	860	-
OFI Institutional Charitable Giving	-	34,968
LWG Discretionary Fund	-	3,315
	<b>\$ 22,653,757</b>	<b>\$ 19,855,242</b>

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND  
December 31, 2010 and 2009**

	2010	2009
<b>Funds to Benefit State College Area School District</b>		
S C A S D LifeLink Fund	\$ 111,267	\$ 99,379
The Crescendo Fund	102,977	96,617
Hogan and Grace Markle Fund	98,315	91,370
Educational Incentives Fund Master	91,011	81,739
Martha W. Fleming Memorial Scholarship Fund	67,720	63,042
Superintendent's Fund for Instructional Innovation	65,946	61,374
Extracurricular Awards Fund Master	60,787	54,693
Richard A. Queeney Fund for Educational Opportunity	54,651	49,191
Recognition Awards Fund	52,763	48,055
Thomas G. Haugh Memorial Scholarship Fund	46,962	43,928
Jerome Tanner Memorial Scholarship Fund	44,221	35,105
Scholarship Fund	41,573	38,168
Karen Bruno Ganter Memorial Fund	37,149	34,388
Centre Lifelink EMS Sara Dunlap Scholarship Fund	35,460	33,207
Patrick Y. Wang Technology Innovation Fund	34,095	31,651
Mincemoyer Family Fund	32,852	30,199
Donald W. Carruthers, Jr. Memorial Scholarship Fund	31,485	29,034
Laura S Jones Memorial Award Master	31,348	29,162
Ann L. Infield Memorial Fund for Track and Field	30,167	28,185
C. Morris Lutz Memorial Scholarship Fund	30,126	28,223
Jeremy T Sente Memorial	30,126	27,524
Kyle Russell Callahan Scholarship Fund	30,020	17,479
Music Umbrella Fund	29,669	24,683
John Bolash Triple A Award	29,455	26,862
Brenda Jo Van Tries Memorial Scholarship	28,917	26,522
Margaret (Marge) Brouse Antes Thespian Fund	27,454	25,792
Joan Virginia Almquist Fund	27,355	25,494
Donald J. Willower Memorial Fund	26,768	25,117
Gerald B. M. and Sylvia Stein Fund	26,206	24,556
Leslie Savino Memorial Fund	25,795	24,055
SCAHS Alumni Association Fund	25,513	23,885
Helen J. Small Memorial Endowment Fund	25,479	23,258
William and Dorothy Floyd Babcock Fund	25,398	23,804
Boalsburg Fire Company Memorial Scholarship Fund	23,167	15,790

(Continued)

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

**COMBINED SCHEDULES OF NET ASSETS BY FUND (Continued)  
December 31, 2010 and 2009**

	<b>2010</b>	2009
Marc D. Shapiro Charitable & Educational Scholarship	<b>22,922</b>	21,556
Queeney Family Fund	<b>22,227</b>	20,671
SCASD Student Activities Support Fund	<b>21,945</b>	20,523
Naomi A. and Floyd B. Fischer LifeLink Fund	<b>21,828</b>	19,625
Radio Park Elementary School Educational Initiatives Fund	<b>20,436</b>	19,169
Library Memorial Endowment	<b>19,891</b>	18,504
John Glenn Kovalchik Memorial Scholarship Fund	<b>19,732</b>	17,753
Annalee Henderson Faculty Award Fund	<b>19,661</b>	18,427
SCASD Community Education Endowment	<b>17,471</b>	11,825
Stefan H. Umberger Memorial Award Fund	<b>16,533</b>	15,495
John and Betty Baker Memorial Fund	<b>15,614</b>	14,479
Sherm Reichard Memorial Fund	<b>12,775</b>	10,953
Robert M. Marciniak Memorial Scholarship Fund	<b>11,663</b>	10,770
Shiri Berg First Flute Memorial Awards Fund	<b>11,368</b>	10,598
Builders Association of Central PA	<b>10,849</b>	10,090
Skip Coleman Memorial Fund	<b>9,728</b>	9,044
Retired Faculty Educational Initiative Fund	<b>9,359</b>	3,538
Ralph L. Montresor Baseball Award Fund	<b>8,402</b>	7,862
State High Vision Courageous Citizen Fund	<b>8,351</b>	-
Raymond Shibley Fund	<b>7,422</b>	6,965
Dianne Maser Memorial Scholarship Fund	<b>7,380</b>	6,712
Eugene R. Brooks Memorial Fund	<b>7,175</b>	6,712
Dick Morgan Award Fund	<b>2,692</b>	2,349
Lynne Sanders Professional Development Fund	-	1,537
	<b>\$ 1,807,621</b>	<b>\$ 1,626,688</b>

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

**COMBINING STATEMENTS OF ASSETS, LIABILITIES AND  
NET ASSETS - MODIFIED CASH BASIS  
December 31, 2010**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holding, LLC
<b>ASSETS</b>					
Cash, including money market funds	\$ 461,636	\$ -	\$ 448,431	\$ 13,205	\$ -
Investments (at market value):					
TIFF Multi-Asset Fund	10,446,147	-	10,446,147	-	-
Equity securities	6,266,025	-	6,266,025	-	-
Debt and fixed income securities	3,566,052	-	3,566,052	-	-
Other securities, discretionary class	1,514,484	-	1,514,484	-	-
<b>Total investments</b>	<b>21,792,708</b>	<b>-</b>	<b>21,792,708</b>	<b>-</b>	<b>-</b>
Property and equipment - net	417,780	-	42,628	375,152	-
Intercompany advances	-	(52,767)	51,488	-	1,279
Cash surrender value of life insurance policies	116,735	-	116,735	-	-
<b>Total assets</b>	<b>\$ 22,788,859</b>	<b>\$ (52,767)</b>	<b>\$ 22,451,990</b>	<b>\$ 388,357</b>	<b>\$ 1,279</b>
<b>LIABILITIES</b>					
Intercompany liability	\$ -	\$ (52,767)	\$ -	\$ 52,767	\$ -
Other current liabilities	760	-	760	-	-
Charitable gift annuities	134,342	-	134,342	-	-
<b>Total liabilities</b>	<b>135,102</b>	<b>(52,767)</b>	<b>135,102</b>	<b>52,767</b>	<b>-</b>
<b>NET ASSETS</b>					
Unrestricted					
Undesignated	5,012,495	-	4,675,626	335,590	1,279
Designated, donor-advised funds	5,636,209	-	5,636,209	-	-
Designated for charitable organizations	10,351,141	-	10,351,141	-	-
Designated for administrative expenses of CCCF	1,653,912	-	1,653,912	-	-
<b>Total unrestricted net assets</b>	<b>22,653,757</b>	<b>-</b>	<b>22,316,888</b>	<b>335,590</b>	<b>1,279</b>
<b>Total liabilities and net assets</b>	<b>\$ 22,788,859</b>	<b>\$ (52,767)</b>	<b>\$ 22,451,990</b>	<b>\$ 388,357</b>	<b>\$ 1,279</b>

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

**COMBINING STATEMENTS OF ASSETS, LIABILITIES AND  
NET ASSETS - MODIFIED CASH BASIS  
December 31, 2009**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holding, LLC
<b>ASSETS</b>					
Cash, including money market funds	\$ 461,686	\$ -	\$ 452,681	\$ 9,005	\$ -
Investments (at market value):					
TIFF Multi-Asset Fund	9,230,029	-	9,230,029	-	-
Equity securities	6,074,550	-	6,074,550	-	-
Debt and fixed income securities	3,065,833	-	3,065,833	-	-
Other securities, discretionary class	555,633	-	555,633	-	-
<b>Total investments</b>	<b>18,926,045</b>	<b>-</b>	<b>18,926,045</b>	<b>-</b>	<b>-</b>
Property and equipment - net	433,476	-	47,692	385,784	-
Intercompany advances	-	(42,767)	41,488	-	1,279
Cash surrender value of life insurance policies	109,252	-	109,252	-	-
<b>Total assets</b>	<b>\$ 19,930,459</b>	<b>\$ (42,767)</b>	<b>\$ 19,577,158</b>	<b>\$ 394,789</b>	<b>\$ 1,279</b>
<b>LIABILITIES</b>					
Intercompany liability	\$ -	\$ (42,767)	\$ -	\$ 42,767	\$ -
Other current liabilities	-	-	-	-	-
Charitable gift annuities	75,217	-	75,217	-	-
<b>Total liabilities</b>	<b>75,217</b>	<b>(42,767)</b>	<b>75,217</b>	<b>42,767</b>	<b>-</b>
<b>NET ASSETS</b>					
Unrestricted					
Undesignated	4,384,978	-	4,031,677	352,022	1,279
Designated, donor-advised funds	5,051,502	-	5,051,502	-	-
Designated for charitable organizations	8,912,588	-	8,912,588	-	-
Designated for administrative expenses of CCCF	1,506,174	-	1,506,174	-	-
<b>Total unrestricted net assets</b>	<b>19,855,242</b>	<b>-</b>	<b>19,501,941</b>	<b>352,022</b>	<b>1,279</b>
<b>Total liabilities and net assets</b>	<b>\$ 19,930,459</b>	<b>\$ (42,767)</b>	<b>\$ 19,577,158</b>	<b>\$ 394,789</b>	<b>\$ 1,279</b>

**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, 2010**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holding, LLC
<b>Support and Revenue</b>					
Contributions	\$ 1,568,034	\$ -	\$ 1,558,034	\$ 10,000	\$ -
Interest and dividends	460,033	-	460,033	-	-
Special events	8,300	-	8,300	-	-
<b>Total unrestricted support and revenue</b>	<b>2,036,367</b>	<b>-</b>	<b>2,026,367</b>	<b>10,000</b>	<b>-</b>
<b>Expenses</b>					
Distributions to charities	831,021	-	831,021	-	-
Personnel	191,646	-	191,646	-	-
Investment management and administration fees	37,998	-	37,998	-	-
Administrative and general	107,973	-	92,172	15,801	-
Professional	38,981	-	38,981	-	-
Fundraising expenses and events	26,719	-	26,719	-	-
Depreciation	18,207	-	7,574	10,633	-
Charitable gift annuity distribution	5,579	-	5,579	-	-
<b>Total expenses</b>	<b>1,258,124</b>	<b>-</b>	<b>1,231,690</b>	<b>26,434</b>	<b>-</b>
Capital Gains - Net	2,020,272	-	2,020,272	-	-
<b>Increase (decrease) in unrestricted net assets</b>	<b>2,798,515</b>	<b>-</b>	<b>2,814,949</b>	<b>(16,434)</b>	<b>-</b>
<b>Unrestricted Net Assets:</b>					
Beginning	19,855,242	-	19,501,940	352,023	1,279
Ending	<b>\$ 22,653,757</b>	<b>\$ -</b>	<b>\$ 22,316,889</b>	<b>\$ 335,589</b>	<b>\$ 1,279</b>

**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, 2009**

	Total	Eliminations	Centre County Community Foundation, Inc.	Foundation Property, Inc.	Community Foundation Holding, LLC
<b>Support and Revenue</b>					
Contributions	\$ 850,283	\$ -	\$ 840,253	\$ 10,030	\$ -
Interest and dividends	540,367	-	540,367	-	-
Special events	13,600	-	13,600	-	-
<b>Total unrestricted support and revenue</b>	<b>1,404,250</b>	<b>-</b>	<b>1,394,220</b>	<b>10,030</b>	<b>-</b>
<b>Expenses</b>					
Distributions to charities	1,077,058	-	1,077,058	-	-
Personnel	200,102	-	200,102	-	-
Investment management and administration fees	30,594	-	30,594	-	-
Administrative and general	110,558	-	92,991	17,567	-
Professional	44,293	-	44,293	-	-
Fundraising expenses and events	29,421	-	29,421	-	-
Depreciation	16,953	-	6,321	10,632	-
Charitable gift annuity distribution	4,931	-	4,931	-	-
<b>Total expenses</b>	<b>1,513,910</b>	<b>-</b>	<b>1,485,711</b>	<b>28,199</b>	<b>-</b>
Capital Gains - Net	3,496,291	-	3,496,291	-	-
<b>Increase (decrease) in unrestricted net assets</b>	<b>3,386,631</b>	<b>-</b>	<b>3,404,800</b>	<b>(18,169)</b>	<b>-</b>
<b>Unrestricted Net Assets:</b>					
Beginning	16,468,611	-	16,097,140	370,192	1,279
Ending	\$ 19,855,242	\$ -	\$ 19,501,940	\$ 352,023	\$ 1,279