

**HUMBOLDT AREA FOUNDATION  
AND SUPPORTING ORGANIZATION  
FINANCIAL STATEMENTS**

**Year Ended June 30, 2013 and 2012**

**With**

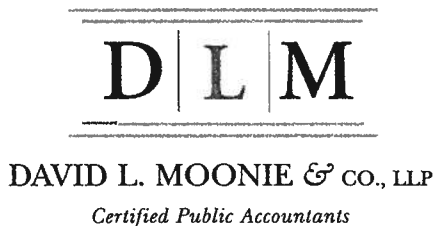
**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

# HUMBOLDT AREA FOUNDATION

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HUMBOLDT AREA FOUNDATION  
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Board of Directors  
Humboldt Area Foundation  
Bayside, California 95524

We have audited the accompanying financial statements of Humboldt Area Foundation, a non-profit organization, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

## HUMBOLDT AREA FOUNDATION

### INDEPENDENT AUDITOR'S REPORT - CONTINUED

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Humboldt Area Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information schedules on pages 19 - 26 are presented for purposes of additional analysis and are 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 audit 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.

*David L. Moonie & Co.*

CERTIFIED PUBLIC ACCOUNTANTS

Eureka, California

September 30, 2013

HUMBOLDT AREA FOUNDATION  
STATEMENTS OF FINANCIAL POSITION

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 3,867,179	\$ 3,647,363
Unconditional promises to give, net	6,273,392	4,003,411
Investments	77,722,435	68,491,510
Notes receivable from others	17,917	30,943
Property and equipment, net	2,203,343	2,183,142
Other assets	385,878	76,811
TOTAL ASSETS	<u>\$ 90,470,144</u>	<u>\$ 78,433,180</u>
LIABILITIES		
Accounts payable	\$ 56,525	\$ 213,329
Accrued expenses	104,440	130,876
Grants payable	1,872,558	1,929,459
Refundable advances	59,335	96,731
Note payable	25,252	
Agency fund liability	12,765,708	10,370,313
Obligations under split interest agreements	2,280,866	1,812,515
TOTAL LIABILITIES	<u>17,164,684</u>	<u>14,553,223</u>
NET ASSETS		
Unrestricted	59,359,666	52,699,240
Temporarily restricted	8,301,469	5,900,915
Permanently restricted	5,644,325	5,279,802
TOTAL NET ASSETS	<u>73,305,460</u>	<u>63,879,957</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 90,470,144</u>	<u>\$ 78,433,180</u>

See accountants' report

HUMBOLDT AREA FOUNDATION  
STATEMENTS OF ACTIVITIES  
For The Years Ended June 30, 2013 and 2012

	2013			2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 1,611,676	\$ 4,288,188		\$ 5,899,864
Grant income	846,347	1,309,927		2,156,274
Investment income	1,749,052			1,749,052
Workshop and other income	103,800			103,800
Administrative fee income	136,870			136,870
Rental income	16,872			16,872
Net assets released from restrictions -				
Restrictions satisfied by time	3,346,997	(3,338,357)	\$ (8,640)	-
TOTAL REVENUES AND OTHER SUPPORT	7,811,614	2,259,758	(8,640)	10,062,732
EXPENSES				
Program services:				
Grant making	2,717,169			2,717,169
Education, outreach and training	133,471			133,471
Community programs	2,446,029			2,446,029
Support services:				
Administrative	770,206			770,206
Investment	198,959			198,959
Development	216,179			216,179
TOTAL EXPENSES	6,482,013	-	-	6,482,013
GAINS AND LOSSES				
Realized and unrealized gains (losses)				
on investments	5,330,825		373,163	5,703,988
Gain (loss) on disposal of assets				-
Actuarial gain (loss) on				
annuity obligation		140,796		140,796
Gain (loss) on beneficial interest				
in perpetual trusts				48,782
TOTAL GAINS AND LOSSES	5,330,825	140,796	373,163	5,844,784
CHANGE IN NET ASSETS	6,660,426	2,400,554	364,523	9,425,503
NET ASSETS BEGINNING OF YEAR	52,699,240	5,900,915	5,279,802	63,879,957
NET ASSETS END OF YEAR	\$ 59,359,666	\$ 8,301,469	\$ 5,644,325	\$ 73,305,460

See accountants' report

HUMBOLDT AREA FOUNDATION  
STATEMENTS OF CASH FLOWS  
For The Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 9,425,503	\$ (4,744,024)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	59,625	55,736
Realized and unrealized (gain) loss on investments	(5,703,988)	3,858,874
Realized and unrealized (gain) loss on Agency Fund investments	(807,821)	625,081
Realized and unrealized (gain) loss on Split-interest agreement	(308,950)	239,766
(Gain) loss on disposition of fixed assets	-	1,506
Change in actuarial annuity liability	468,351	(490,636)
(Increase) decrease in operating assets:		
Unconditional promises to give	(2,269,981)	1,404,739
Other assets	(309,067)	(1,380)
Increase (decrease) in operating liabilities:		
Accounts payable	(156,804)	132,246
Accrued expenses	(26,436)	(11,394)
Grants payable	(56,901)	17,882
Refundable advances	(37,396)	63,261
Agency fund liability	2,395,395	324,744
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,671,530</u>	<u>1,476,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from repayments of notes receivable	13,026	12,194
Proceeds from investments	38,917,654	11,102,506
Proceeds from program related investments		284,955
Redemption of certificates of deposit	255,189	
Purchases of investments	(41,583,009)	(11,874,486)
Purchases of equipment	<u>(52,966)</u>	<u>(18,420)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,450,106)</u>	<u>(493,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	<u>(1,608)</u>	
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(1,608)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	219,816	983,150
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,647,363</u>	<u>2,664,213</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,867,179</u>	<u>\$ 3,647,363</u>
Supplemental schedule of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,608</u>	<u>\$ -</u>
Supplemental schedule of non-cash investing and financing activities:		
Debt incurred for purchase of equipment	<u>\$ 26,860</u>	<u>\$ -</u>

See accountants' report

# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### 1. DESCRIPTION OF THE HUMBOLDT AREA FOUNDATION AND SUPPORTING ORGANIZATION

#### Nature of Activities

The Humboldt Area Foundation (the "Foundation" or "HAF"), a nonprofit public benefit corporation, was originally formed in 1972 under a Declaration of Trust for public and charitable purposes to develop philanthropy and engage in grant making in northwestern California. On May 3, 1972, the Foundation received a gift of \$1,000 from Vera Perrott Vietor and was subsequently named an income beneficiary of the Estate of Vera Perrott Vietor. During 1974, a distribution was received from the estate and the Foundation commenced operation.

On August 25, 1993, the Humboldt Area Foundation was incorporated. The original Declaration of Trust created in 1972 was terminated and all trust assets transferred to the new nonprofit corporation. HAF is governed by a Board of Directors, consisting of twelve persons, who are appointed for four-year terms. The Foundation's mission is to serve as an independent staging ground for residents, individually and in concert, to build social, economic and environmental prosperity in the Redwood, Trinity and Wild Rivers regions.

The accompanying financial statements include the accounts of the Humboldt Area Foundation and of Union Labor Health Foundation ("ULHF"), a supporting organization of the Foundation. The Foundation is responsible for expenditures of ULHF for specific charitable purposes. All material inter-organizational transactions and balances have been eliminated in preparing the financial statements. Upon dissolution of ULHF, the assets of ULHF would transfer to the Foundation.

The Foundation acts as a staging ground for residents in Del Norte County and Trinity County by operating under the name Wild Rivers Community Foundation and the Trinity Trust. The operations are supported by boards of local residents that makes recommendations for programs and grants in their region. The accompanying financial statement includes all activities in those regions.



# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Foundation is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

#### Basis of Accounting

The Foundation's financial statements include the accounts of HAF and ULHF and have been prepared on the accrual basis of accounting under the provisions of the Audit Guide for Not-for-Profit Organizations (the "Guide") published by the American Institute of Certified Public Accountants. The Guide and its related standards provide that net assets, and changes therein, are classified according to the existence of donor-imposed restrictions.

#### Program Services

The Foundation's programs consist of disbursement and management of grants and community programs such as education, outreach and training to qualified not-for-profit organizations. The Foundation conducts grant management in its Operating and Special Projects, Endowment and Managed Funds. The education, outreach and training are conducted in its Operating and Special Projects Funds. The Foundation's supporting organization, ULHF, has historically operated and leased healthcare facilities in Eureka, California. ULHF has become a grant making organization, as certain healthcare facilities were divested.

#### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In accordance with FASB ASC 958, *Not-for-Profits*, issued by the Financial Accounting Standards Board, assets for which the gift instruments grant the Foundation variance power are classified as unrestricted.

# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### Agency Funds

The Foundation has a number of funds in which they act as a trustee (agency funds) and hold the assets for other charitable organizations. For these funds, an asset and a corresponding liability are recorded on the Statement of Financial Position. Also, in accordance with FASB ASC 958, the income and expenses of agency funds are not reported in the Foundation's Statement of Activities. Following is a summary of the agency fund activities for the years ending June 30, 2013 and 2012:

	2013	2012
Balance, beginning of year	\$ 10,370,313	\$ 10,045,569
Additions to the funds	2,143,195	1,775,127
Interest and dividends	315,395	234,485
Unrealized and realized investment gain(loss)	807,821	(611,225)
Total Revenues and Gains (Losses)	<u>3,266,411</u>	<u>1,398,387</u>
Grants(net)	(738,663)	(963,900)
Management fees	(102,322)	(88,288)
Expenses	<u>(30,031)</u>	<u>(21,455)</u>
Total Expenses	<u>(871,016)</u>	<u>(1,073,643)</u>
Balance, end of the year	<u>\$ 12,765,708</u>	<u>\$ 10,370,313</u>

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Donated Property and Equipment

Donations of property and equipment are recorded at their estimated fair value and real property requires an appraisal. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### Refundable Advances

Refundable advances represent conditional contributions for which the condition has not been substantially met. In addition, refundable advances represent funds which have been received from grants or contracts that are considered to be exchange transactions. These funds are for specific programs which have not yet taken place.

#### Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain administrative costs have been allocated among the programs and supporting services benefited.

#### Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to cash and mature within 90 days or less of the acquisition date.

#### Donated Investments

Investments, consisting of gifts of securities and/or other property to the Foundation, are recorded at their fair value on the date of gift.

#### Investments

The Foundation's securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at their fair value on the statement of financial position, with the change in fair value during the period included in earnings. For the years ended June 30, 2013 and 2012, all of the Foundation's investments are considered trading securities.

#### Property and Equipment

Property and equipment are carried at cost less accumulated depreciation computed on the straight-line method. It is the Foundation's policy to capitalize expenditures for these items in excess of \$2,500. Lesser amounts are expensed.

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

#### Income Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, has no provision for federal income taxes. In addition, the Foundation qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The supporting organization meets the requirements of IRC Section 509(a)(3). However, the Foundation is subject to income taxes on any net income that is derived from a trade or business and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated business, in the opinion of management, is not material to the financial statements taken as a whole.

The Foundation evaluates uncertain tax positions in accordance with ASC 740-10-25-6, *Income Taxes*, whereby the effect of uncertainty would be recorded if the tax positions will more likely than not be sustained upon examination. As of June 30, 2013 and 2012, the Foundation had no uncertain tax positions requiring accrual or disclosure.

The federal income tax returns of the Foundation for 2012, 2011, and 2010 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

#### Investment Pools

The Foundation maintains three master investment accounts for the various types of funds within the Foundation. Realized and unrealized gains and losses and income from the master investment accounts are allocated monthly to individual funds based on individual average daily fund balances.

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### Investment Pools - Continued

The three master accounts are as follows: The Long-term pool for endowment funds or funds with a long-term horizon is invested 75 percent in equities, 20 percent in fixed income, and five percent real estate equities. The Fixed Income pool focuses on maintaining the principal of the fund and is invested in money market accounts and short-term fixed income investments. The Medium-term pool of investments was added in 2012 and designed for funds with a shorter time frame of three to five years. The pool is composed of 60 percent fixed income investments and 40 percent equity investments.

#### Net Asset Classifications

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Not-for-Profit Entities*. Under ASC 958-210-50-3, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted Net Assets** – All contributions other than endowments, including those with donor-imposed restrictions, are subject to the variance power established by the Foundation's governing documents. The variance provision gives the Board of Directors the power to modify any restriction placed on gifts to the Foundation that is incapable of fulfillment or is no longer consistent with the charitable needs of the community. Accordingly, unless time restrictions have been imposed on contributions, net assets are generally classified as unrestricted net assets.

**Temporarily Restricted Net Assets** – These are subject to donor imposed restrictions that will be met by the passage of time. The Foundation's temporarily restricted net assets primarily consist of unconditional promises to give not collected.

**Permanently Restricted Net Assets** – The portion of net assets that are subject to donor-imposed restrictions that will be maintained in perpetuity. The investment income generated from these assets is temporarily restricted by law until appropriated by the Board in support of the Foundation's programs and operations. The Foundation's permanently restricted net assets consist of contributions from and related activity of perpetual trusts and those endowment funds held by the Foundation as defined under the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### Net Asset Classifications - Continued

#### Endowment Funds

The Foundation follows ASC Topic 958-205, *Classifications of Donor-Restricted Endowment Funds Subject to Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, which was effective for fiscal years ending after December 5, 2008.

#### Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the Foundation's endowment assets. Both the Foundation's spending and investment policies work together to achieve this objective.

The investment policy establishes an achievable return objective through diversification of asset classes.

The current long-term return objective is approximately seven percent, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making and administration. The current spending policy is to distribute an amount equal to four percent of the fair value of the assets as of the last sixteen quarters. The spending policy is reviewed annually by the Board of Directors.

### 3. CASH AND CASH EQUIVALENTS

Cash held by the Foundation at June 30, 2013 and 2012 consists of the following:

	2013	2012
Cash and Checking	\$ 671,802	\$ 93,829
Savings and Money Market	1,951,695	2,542,971
Money Market at Investment Companies	243,657	1,010,563
Certificates of Deposit	1,000,025	
Total Cash and Cash Equivalents	<u>\$ 3,867,179</u>	<u>\$ 3,647,363</u>

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### Certificates of Deposit

Certificates of Deposit totaling \$1,000,025 and \$0 are included in cash in the accompanying financial statements for the years ended June 30, 2013 and 2012, respectively. The certificates bear interest ranging from .25 percent to .30 percent and have maturities of one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

#### 4. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2013 and 2012 consist of the following:

	2013	2012
Amounts due in less than one year	\$ 4,428,774	\$ 721,568
Amounts due in one to five years	6,335,855	3,916,000
Amounts due in more than five years	130,650	130,650
Total	10,895,279	4,768,218
Less allowance for uncollectible promises receivable	(4,621,887)	(764,807)
Total	<u>\$ 6,273,392</u>	<u>\$ 4,003,411</u>

Unconditional promises to give are composed of amounts expected to be received from decedents' estates/trusts, and amounts to be received from charitable remainder trusts for which the Foundation is named as beneficiary, but not named as trustee. It is reasonably possible that these estimates could fluctuate based on changes in future market prices in the near term.

#### 5. INVESTMENTS

Investments in marketable equity securities with readily determinable values are stated at fair market value, and realized and unrealized gains and losses are reflected in the statement of activities. The Foundation maintains cash in excess of daily requirements, annuity trust payments, and certain required term and permanent endowments in cash equivalents.

The Board of Directors has a fiduciary responsibility to manage investment assets to produce income to meet annual grant requirements and to invest funds to preserve future spending. Fees for investment management and consulting totaled \$232,026 and \$202,572 for the years ending June 30, 2013 and 2012, respectively. The total does not include the institutional fees in mutual funds. The fees represent less than one percent of the investment portfolios. Investment services include management reports with comprehensive objective analysis and an overall long-term investment strategy with on-going evaluations for the changing environment.

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### 6. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### 6. FAIR VALUE MEASUREMENTS - CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2013 and 2012:

<i>Assets at Fair Value as of June 30, 2013</i>				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 71,948,756			\$ 71,948,756
Common stocks	5,477,687			5,477,687
Variable annuity		\$ 28,779		28,779
Privately-held equities			\$ 267,213	267,213
Unconditional promises to give			6,273,392	6,273,392
Total assets at fair value	<u>\$ 77,426,443</u>	<u>\$ 28,779</u>	<u>\$ 6,540,605</u>	<u>\$ 83,995,827</u>

<i>Assets at Fair Value as of June 30, 2012</i>				
	Level 1	Level 2	Level 3	Total
Certificates of Deposit		\$ 255,189		\$ 255,189
Mutual funds	\$ 62,023,743			62,023,743
Common stocks	5,404,587			5,404,587
Variable annuity		24,039		24,039
Privately-held equities			\$ 259,637	259,637
Mission-related investments			524,315	524,315
Unconditional promises to give			4,003,411	4,003,411
Total assets at fair value	<u>\$ 67,428,330</u>	<u>\$ 279,228</u>	<u>\$ 4,787,363</u>	<u>\$ 72,494,921</u>

#### Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the years ended June 30, 2013 and 2012:

<i>Level 3 Assets</i>		
<i>Year Ended June 30, 2013 and 2012</i>		
	2013	2012
Fair value, beginning of year	\$ 4,787,363	\$ 6,568,010
Net income	48,215	(45,122)
Purchases of investments		93,256
Sales of investments	(564,954)	(424,042)
New unconditional promises to give	8,153,784	892,213
Collection of unconditional promises to give	(1,976,723)	(1,532,145)
Allowance for unconditional promises to give	(3,907,080)	(764,807)
Fair value, end of year	<u>\$ 6,540,605</u>	<u>\$ 4,787,363</u>

# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### 7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Land	\$ 220,000	\$ 300,000	\$ 188,000	\$ 708,000
Office furniture and equipment	225,898			225,898
Building and improvements	1,603,983	140,867	345,600	2,090,450
	2,049,881	440,867	533,600	3,024,348
Less accumulated depreciation	648,780	16,705	155,520	821,005
Total	<u>\$ 1,401,101</u>	<u>\$ 424,162</u>	<u>\$ 378,080</u>	<u>\$ 2,203,343</u>

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Land	\$ 220,000	\$ 300,000	\$ 188,000	\$ 708,000
Office furniture and equipment	199,288			199,288
Building and improvements	1,550,774	140,867	345,600	2,037,241
	1,970,062	440,867	533,600	2,944,529
Less accumulated depreciation	601,414	13,093	146,880	761,387
Total	<u>\$ 1,368,648</u>	<u>\$ 427,774</u>	<u>\$ 386,720</u>	<u>\$ 2,183,142</u>

Depreciation expense was \$59,625 and \$55,736 for the years ended June 30, 2013 and 2012, respectively.

The Foundation conducts its operations at 363 Indianola Road, Bayside, California. The real property is held in trust under the will of Vera P. Vietor and was transferred to the Foundation as successor trustee on January 17, 1995. The real property is shown in the operating fund as "Property and equipment, net" on page nineteen in the supplementary information, but is restricted in use for the Foundation's operations.

# HUMBOLDT AREA FOUNDATION

## Notes To Financial Statements

June 30, 2013 and 2012

### 8. SPLIT INTEREST AGREEMENTS

The Foundation administers twenty charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (often the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the Statements of Activities as a temporarily restricted contribution in the period the trust is established.

At June 30, 2013 and 2012 assets held in the charitable remainder trusts changed in value as follows:

	2013	2012
Balance, beginning of year	\$ 2,924,082	\$ 3,365,937
Additions to the funds:		
Contributions	500,000	
Interest and dividends	91,969	78,241
Unrealized and realized investment gain(loss)	308,950	(239,766)
Total additions	900,919	(161,525)
Reductions to the funds:		
Grants(net)	(1,176)	(1,692)
Management fees	(34,548)	(32,842)
CRT payments	(253,344)	(243,009)
Expenses	(2,704)	(2,787)
Total reductions	(291,772)	(280,330)
Balance, end of the year	\$ 3,533,229	\$ 2,924,082

On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments (\$2,280,866 at June 30, 2013 and \$1,812,515 at June 30, 2012) is calculated using a discount rate and applicable mortality tables.

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### 9. MISSION RELATED INVESTMENTS

The Foundation partnered with Arcata Economic Development Corporation (AEDC) and Headwaters Fund to provide a bridge loan to Open Door Clinic to purchase property for the new clinic on Tydd Street in Eureka. The investment was considered part of the fixed income portion of the long term investment pool. The outstanding balance at June 30, 2012 was \$524,315 and increased to \$749,506 in November, 2012. It was paid in full by Open Door Clinic in January, 2013. The interest rate on the loan was 5.5%.

The Foundation has partnered with AEDC, Headwaters Fund, and Redwood Regional Economic Development Commission to each loan up to \$375,000 to Northern California Indian Development Council for the refurbishing of the Carson Block Building on 3rd Street, Eureka. The loan has a 90% loan guarantee from the Bureau of Indian Affairs. The loan will commence in the 2013-2014 fiscal year.

#### 10. LEAVEY RANCH RESEARCH PROGRAM

The Foundation has been notified it will receive a bequest of 240 acres near Blue Lake for a research facility. The property will be placed in a single-member limited liability company, Leavey Ranch, LLC. The ranch will be available for research opportunities for qualified organizations as well as cattle grazing operations. An endowment fund will also be established for the exclusive support of the ranch. The total value of the ranch and endowment fund is approximately \$4 million.

#### 11. GRANT FUNDED PROJECTS

The Foundation received grant funds from several institutions including The California Endowment, Irvine Foundation, Robert Wood Johnson, and Morgan Family Foundation. These grant funds support various programs managed by Humboldt Area Foundation including some staff positions. The expenses are included in the community program line item on the Statement of Activities. Programs managed by the Foundation include Building Healthy Communities in the Del Norte and Adjacent Tribal Lands, Native Culture program, Boys and Men of Color, Regional Connections Initiative, Partners in Nursing Future Simulation Center, and philanthropy and democracy study.

## HUMBOLDT AREA FOUNDATION

### Notes To Financial Statements

June 30, 2013 and 2012

#### 12. PENSION

The Foundation has a tax-deferred annuity plan as covered in Internal Revenue Code Section 403(b). Regular employees working a minimum of twenty hours per week are eligible to enter the Plan as a participant (a) solely for the purpose of making elective deferrals, upon date of hire; and (b) solely for the purpose of receiving employer non-elective contributions, upon completing six months of service. The current employer annual contribution is ten percent of gross salary. Total employer contributions as of June 30, 2013 and 2012, were \$112,338 and \$110,635, respectively.

#### 13. BOARD RESTRICTED FUNDS

The Foundation established an operating reserve at June 30, 2013 and 2012 of \$671,348 and \$652,239, respectively, from discretionary funds in a Board-restricted fund to be used when economic circumstances limit the income for operations. The Board considers it prudent management to plan for possible downturns in the economy with the ability to continue operations and continue to respond to the community during economic challenges.

#### 14. ADMINISTRATIVE FEES

The Foundation charged administrative fees for the management of funds of \$1,217,100 and \$1,156,373 for the years ending June 30, 2013 and 2012, respectively, which were charged as follows:

	2013	2012
Endowment Funds	\$ 832,701	\$ 799,029
Managed Funds	180,369	169,054
Supporting Organization	67,160	67,160
Agency Funds	102,322	88,288
Split-Interest Funds	34,548	32,842
Total administrative fees	<u>\$ 1,217,100</u>	<u>\$ 1,156,373</u>

HUMBOLDT AREA FOUNDATION  
Notes To Financial Statements

June 30, 2013 and 2012

15. CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances at several financial institutions located in northern California. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and \$250,000 in 2013 and 2012, respectively. At June 30, 2013 and 2012, the Foundation's uninsured cash balances total \$2,623,974 and \$2,747,151, respectively. These amounts include investments in Certificates of Deposit in addition to cash and cash equivalents.

16. SUPPORTING ORGANIZATION

As of July 1, 1997, Union Labor Health Foundation ("ULHF") became a supporting organization of the Foundation under the provisions of Section 509(a)(3) of the Internal Revenue Code. The Humboldt Area Foundation is responsible for the expenditures of the ULHF for specific charitable purposes. This responsibility is ensured by the presence of two board members appointed to the board of ULHF by HAF. ULHF's charitable purpose is to expand access to affordable, quality health care for underserved individuals, families, groups and communities, and to promote fundamental improvements in the health status of the people of Humboldt County. Upon dissolution of ULHF, the assets of ULHF would transfer to the Foundation.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2013, the date on which the financial statements were available to be issued.

## SUPPLEMENTAL INFORMATION

HUMBOLDT AREA FOUNDATION  
SCHEDULE 1 - COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2013

	Operating and Special Projects Funds	Endowment Funds	Managed Funds	Supporting Organization	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,612,258	\$ 260,033	\$ 1,983,150	\$ 11,738	\$ 3,867,179
Unconditional promises to give		6,273,392			6,273,392
Investments	1,261,694	50,959,387	20,660,765	4,840,589	77,722,435
Notes receivable from others		17,917			17,917
Property and equipment, net	1,559,181	519,162	125,000		2,203,343
Other assets	385,878				385,878
<b>TOTAL ASSETS</b>	<b>\$ 4,819,011</b>	<b>\$ 58,029,891</b>	<b>\$ 22,768,915</b>	<b>\$ 4,852,327</b>	<b>\$ 90,470,144</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 56,338			\$ 187	\$ 56,525
Accrued expenses	102,940	\$ 1,500			104,440
Grants payable	236,437	1,501,451	\$ 95,466	39,204	1,872,558
Refundable advances	59,335				59,335
Note payable	25,252				25,252
Agency fund liability			12,765,708		12,765,708
Obligations under split interest agreements		2,280,866			2,280,866
<b>TOTAL LIABILITIES</b>	<b>480,302</b>	<b>3,783,817</b>	<b>12,861,174</b>	<b>39,391</b>	<b>17,164,684</b>
<b>NET ASSETS</b>					
Unrestricted	3,184,915	41,454,074	9,907,741	4,812,936	59,359,666
Temporarily restricted	775,714	7,525,755			8,301,469
Permanently restricted	378,080	5,266,245			5,644,325
<b>TOTAL NET ASSETS</b>	<b>4,338,709</b>	<b>54,246,074</b>	<b>9,907,741</b>	<b>4,812,936</b>	<b>73,305,460</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,819,011</b>	<b>\$ 58,029,891</b>	<b>\$ 22,768,915</b>	<b>\$ 4,852,327</b>	<b>\$ 90,470,144</b>

See accountants' report



HUMBOLDT AREA FOUNDATION  
SCHEDULE 2 - COMBINING STATEMENT OF ACTIVITIES - UNRESTRICTED

For The Year Ended June 30, 2013

	Operating and Special Projects Funds	Endowment Funds	Managed Funds	Supporting Organization	Total
<b>REVENUES AND OTHER SUPPORT</b>					
Contributions	\$ 291,658	\$ 609,655	\$ 709,372	\$ 991	\$ 1,611,676
Grant income	846,347				846,347
Investment income	45,484	1,318,294	249,277	135,997	1,749,052
Workshop and other income	103,591	10	199		103,800
Administrative fee income	136,870				136,870
Rental income		16,872			16,872
Net assets released from restrictions -					
Restrictions satisfied by time	1,328,790	2,009,857	8,350		3,346,997
<b>TOTAL REVENUES     AND OTHER SUPPORT</b>	<b>2,752,740</b>	<b>3,954,688</b>	<b>967,198</b>	<b>136,988</b>	<b>7,811,614</b>
<b>EXPENSES</b>					
Program services:					
Grant making	340,414	1,259,299	942,325	175,131	2,717,169
Education, outreach and training	133,471				133,471
Community programs	2,446,029				2,446,029
Support services:					
Administrative	763,711	520		5,975	770,206
Investment	3,766	159,904	23,075	12,214	198,959
Development	216,179				216,179
<b>TOTAL EXPENSES</b>	<b>3,903,570</b>	<b>1,419,723</b>	<b>965,400</b>	<b>193,320</b>	<b>6,482,013</b>
<b>GAINS AND LOSSES</b>					
Realized and unrealized gains (losses)					
on investments	68,678	3,938,285	853,826	470,036	5,330,825
Gain (loss) on disposal of assets					
Actuarial gain (loss) on annuity obligation					
<b>TOTAL GAINS AND LOSSES</b>	<b>68,678</b>	<b>3,938,285</b>	<b>853,826</b>	<b>470,036</b>	<b>5,330,825</b>
<b>CHANGE IN NET ASSETS BEFORE INTERFUND TRANSFERS</b>					
	(1,082,152)	6,473,250	855,624	413,704	6,660,426
<b>INTERFUND TRANSFERS</b>					
Administrative fees	1,080,230	(832,701)	(180,369)	(67,160)	-
Contributions/grants	604,862	(489,506)	(101,006)	(14,350)	-
<b>CHANGE IN NET ASSETS</b>	<b>602,940</b>	<b>5,151,043</b>	<b>574,249</b>	<b>332,194</b>	<b>6,660,426</b>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>2,581,975</b>	<b>36,303,031</b>	<b>9,333,492</b>	<b>4,480,742</b>	<b>52,699,240</b>
<b>NET ASSETS END OF YEAR</b>	<b>\$ 3,184,915</b>	<b>\$ 41,454,074</b>	<b>\$ 9,907,741</b>	<b>\$ 4,812,936</b>	<b>\$ 59,359,666</b>

See accountants' report

HUMBOLDT AREA FOUNDATION  
SCHEDULE 3 - COMBINING STATEMENT OF ACTIVITIES - TEMPORARILY RESTRICTED

For The Year Ended June 30, 2013

	Operating and Special Projects Funds	Endowment Funds	Managed Funds	Supporting Organization	Total
REVENUES AND OTHER SUPPORT					
Contributions		\$ 4,288,188			\$ 4,288,188
Grant income	\$ 1,309,927				1,309,927
Investment income					
Workshop and other income					
Administrative fee income					
Rental income					
Net assets released from restrictions -					
Restrictions satisfied by time	(1,320,150)	(2,009,857)	\$ (8,350)		(3,338,357)
TOTAL REVENUES AND OTHER SUPPORT	(10,223)	2,278,331	(8,350)	-	2,259,758
EXPENSES					
Program services:					
Grant making					
Education, outreach and training					
Community programs					
Support services:					
Administrative					
Investment					
Development					
TOTAL EXPENSES	-	-	-	-	-
GAINS AND LOSSES					
Realized and unrealized gains (losses)					
on investments					
Gain (loss) on disposal of assets					
Actuarial gain (loss) on					
annuity obligation		140,796			140,796
TOTAL GAINS AND LOSSES	-	140,796	-	-	140,796
CHANGE IN NET ASSETS BEFORE INTERFUND TRANSFERS	(10,223)	2,419,127	(8,350)		2,400,554
INTERFUND TRANSFERS					
Administrative fees					
Contributions/grants					
CHANGE IN NET ASSETS	(10,223)	2,419,127	(8,350)		2,400,554
NET ASSETS BEGINNING OF YEAR	785,937	5,106,628	8,350		5,900,915
NET ASSETS END OF YEAR	\$ 775,714	\$ 7,525,755	\$ -	\$ -	\$ 8,301,469

See accountants' report

HUMBOLDT AREA FOUNDATION  
SCHEDULE 4 - COMBINING STATEMENT OF ACTIVITIES - PERMANENTLY RESTRICTED

For The Year Ended June 30, 2013

	Operating and Special Projects Funds	Endowment Funds	Managed Funds	Supporting Organization	Total
<b>REVENUES AND OTHER SUPPORT</b>					
Contributions					
Grant income					
Investment income					
Workshop and other income					
Administrative fee income					
Rental income					
Net assets released from restrictions -					
Restrictions satisfied by time	\$ (8,640)				\$ (8,640)
TOTAL REVENUES					
AND OTHER SUPPORT	(8,640)	-	-	-	(8,640)
<b>EXPENSES</b>					
Program services:					
Grant making					
Education, outreach and training					
Community programs					
Support services:					
Administrative					
Investment					
Development					
TOTAL EXPENSES	-	-	-	-	-
<b>GAINS AND LOSSES</b>					
Realized and unrealized gains (losses)		\$ 373,163			373,163
on investments					
Gain (loss) on disposal of assets					
Actuarial gain (loss) on					
annuity obligation					
TOTAL GAINS AND LOSSES	-	373,163	-	-	373,163
CHANGE IN NET ASSETS BEFORE					
TRANSFERS AND RECLASSIFICATIONS	(8,640)	373,163			364,523
<b>INTERFUND TRANSFERS</b>					
Administrative fees					
Contributions/grants					
CHANGE IN NET ASSETS	(8,640)	373,163			364,523
NET ASSETS BEGINNING OF YEAR	386,720	4,893,082			5,279,802
NET ASSETS END OF YEAR	\$ 378,080	\$ 5,266,245	\$ -	\$ -	\$ 5,644,325

See accountants' report

HUMBOLDT AREA FOUNDATION  
SCHEDULE 5 - STATEMENT OF ACTIVITIES - OPERATING AND SPECIAL PROJECTS FUNDS

For The Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 291,658			\$ 291,658
Grant income	846,347	\$ 1,309,927		2,156,274
Investment income	45,484			45,484
Workshop and other income	103,591			103,591
Administrative fee income	136,870			136,870
Rental income				
Net assets released from restrictions -				
Restrictions satisfied by time	1,328,790	(1,320,150)	\$ (8,640)	
TOTAL REVENUES				
AND OTHER SUPPORT	2,752,740	(10,223)	(8,640)	2,733,877
EXPENSES				
Program services:				
Grant making	340,414			340,414
Education, outreach and training	133,471			133,471
Community programs	2,446,029			2,446,029
Support services:				
Administrative	763,711			763,711
Investment	3,766			3,766
Development	216,179			216,179
TOTAL EXPENSES	3,903,570	-	-	3,903,570
GAINS AND LOSSES				
Realized and unrealized gains (losses)				
on investments	68,678			68,678
Gain on disposal of assets				
Actuarial gain (loss) on annuity obligation				
TOTAL GAINS AND LOSSES	68,678	-	-	68,678
CHANGE IN NET ASSETS BEFORE INTERFUND TRANSFERS	(1,082,152)	(10,223)	(8,640)	(1,101,015)
INTERFUND TRANSFERS				
Administrative fees	1,080,230			1,080,230
Contributions/grants	604,862			604,862
CHANGE IN NET ASSETS	602,940	(10,223)	(8,640)	584,077
NET ASSETS BEGINNING OF YEAR	2,581,975	785,937	386,720	3,754,632
NET ASSETS END OF YEAR	\$ 3,184,915	\$ 775,714	\$ 378,080	\$ 4,338,709

See accountants' report

HUMBOLDT AREA FOUNDATION  
SCHEDULE 6 - STATEMENT OF ACTIVITIES - ENDOWMENT FUNDS

For The Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 609,655	\$ 4,288,188		\$ 4,897,843
Grant income				
Investment income	1,318,294			1,318,294
Workshop and other income	10			10
Administrative fee income				
Rental income	16,872			16,872
Net assets released from restrictions - Restrictions satisfied by time	2,009,857	(2,009,857)		
TOTAL REVENUES AND OTHER SUPPORT	3,954,688	2,278,331	-	6,233,019
EXPENSES				
Program services:				
Grant making	1,259,299			1,259,299
Education, outreach and training				
Community programs				
Support services:				
Administrative	520			520
Investment	159,904			159,904
Development				
TOTAL EXPENSES	1,419,723	-	-	1,419,723
GAINS AND LOSSES				
Realized and unrealized gains (losses) on investments	3,938,285		\$ 373,163	4,311,448
Gain (loss) on disposal of assets				
Actuarial gain (loss) on annuity obligation		140,796		140,796
TOTAL GAINS AND LOSSES	3,938,285	140,796	373,163	4,452,244
CHANGE IN NET ASSETS BEFORE INTERFUND TRANSFERS	6,473,250	2,419,127	373,163	9,265,540
INTERFUND TRANSFERS				
Administrative fees	(832,701)			(832,701)
Contributions/grants	(489,506)			(489,506)
CHANGE IN NET ASSETS	5,151,043	2,419,127	373,163	7,943,333
NET ASSETS BEGINNING OF YEAR	36,303,031	5,106,628	4,893,082	46,302,741
NET ASSETS END OF YEAR	\$ 41,454,074	\$ 7,525,755	\$ 5,266,245	\$ 54,246,074

See accountants' report

HUMBOLDT AREA FOUNDATION  
SCHEDULE 7 - STATEMENT OF ACTIVITIES - MANAGED FUNDS

For The Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 709,372			\$ 709,372
Grant income				
Investment income	249,277			249,277
Workshop and other income	199			199
Administrative fee income				
Rental income				
Net assets released from restrictions -				
Restrictions satisfied by time	8,350	\$ (8,350)		
TOTAL REVENUES AND OTHER SUPPORT	967,198	(8,350)	-	958,848
EXPENSES				
Program services:				
Grant making	942,325			942,325
Education, outreach and training				
Community programs				
Support services:				
Administrative				
Investment	23,075			23,075
Development				
TOTAL EXPENSES	965,400	-	-	965,400
GAINS AND LOSSES				
Realized and unrealized gains (losses)				
on investments	853,826			853,826
Gain on disposal of assets				
Actuarial gain (loss) on				
annuity obligation				
TOTAL GAINS AND LOSSES	853,826	-	-	853,826
CHANGE IN NET ASSETS BEFORE INTERFUND TRANSFERS	855,624	(8,350)		847,274
INTERFUND TRANSFERS				
Administrative fees	(180,369)			(180,369)
Contributions/grants	(101,006)			(101,006)
CHANGE IN NET ASSETS	574,249	(8,350)	-	565,899
NET ASSETS BEGINNING OF YEAR	9,333,492	8,350	-	9,341,842
NET ASSETS END OF YEAR	\$ 9,907,741	\$ -	\$ -	\$ 9,907,741

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HUMBOLDT AREA FOUNDATION  
SCHEDULE 8 - STATEMENT OF ACTIVITIES - SUPPORTING ORGANIZATION

For The Year Ended June 30, 2013

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT	
Contributions	\$ 991
Grant income	
Investment income	135,997
Workshop and other income	
Administrative fee income	
Rental income	
Net assets released from restrictions - Restrictions satisfied by time	
TOTAL REVENUES AND OTHER SUPPORT	<u>136,988</u>
EXPENSES	
Program services:	
Grant making	175,131
Education, outreach and training	
Community programs	
Support services:	
Administrative	5,975
Investment	12,214
Development	
TOTAL EXPENSES	<u>193,320</u>
GAINS AND LOSSES	
Realized and unrealized gains (losses) on investments	470,036
Gain on disposal of assets	
Actuarial gain (loss) on annuity obligation	
TOTAL GAINS AND LOSSES	<u>470,036</u>
CHANGE IN NET ASSETS BEFORE INTERFUND TRANSFERS	413,704
INTERFUND TRANSFERS	
Administrative fees	(67,160)
Contributions/grants	<u>(14,350)</u>
CHANGE IN NET ASSETS	332,194
NET ASSETS BEGINNING OF YEAR	<u>4,480,742</u>
NET ASSETS END OF YEAR	<u>\$ 4,812,936</u>

See accountants' report