

CHARLES K. BLANDIN FOUNDATION

**FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2002 AND 2001

**CHARLES K. BLANDIN FOUNDATION
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DECEMBER 31, 2002 AND 2001**

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of the Charles K. Blandin Foundation
Grand Rapids, Minnesota

We have audited the accompanying statements of financial position of the Charles K. Blandin Foundation (a nonprofit organization) as of December 31, 2002 and 2001 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charles K. Blandin Foundation as of December 31, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

LARSON, ALLEN, WEISHAIR & CO., LLP

Brainerd, Minnesota
February 13, 2003

**CHARLES K. BLANDIN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2002 AND 2001**

ASSETS	<u>NOTE</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents		\$ 275,442	\$ 411,498
Investments at Fair Value	2	44,477,641	48,584,110
Investment Income Receivable		640,932	781,197
Property and Equipment	3	3,744,896	3,978,895
Present Value of Estimated Future Cash Flows from Blandin Residuary Trust	1	284,361,466	335,644,337
Other Assets		<u>200,923</u>	<u>200,794</u>
 TOTAL ASSETS		 <u>\$ 333,701,300</u>	 <u>\$ 389,600,831</u>
 LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses		\$ 1,072,771	\$ 1,038,969
Grants Payable	7	<u>28,278,457</u>	<u>11,300,732</u>
TOTAL LIABILITIES		<u>\$ 29,351,228</u>	<u>\$ 12,339,701</u>
 NET ASSETS			
Unrestricted	1	\$ 19,988,606	\$ 35,278,941
Temporarily Restricted	1	-	6,337,852
Permanently Restricted	1	<u>284,361,466</u>	<u>335,644,337</u>
TOTAL NET ASSETS		<u>\$ 304,350,072</u>	<u>\$ 377,261,130</u>
 TOTAL LIABILITIES AND NET ASSETS		 <u>\$ 333,701,300</u>	 <u>\$ 389,600,831</u>

See accompanying Notes to Financial Statements.

**CHARLES K. BLANDIN FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	NOTE	2002			TOTAL
		UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	
REVENUES, LOSSES AND CONTRIBUTIONS					
Contribution from Blandin Residuary Trust		\$ -	\$ 14,914,140	\$ -	\$ 14,914,140
Investment Income		923,653	-	-	923,653
Net Realized and Unrealized Investment Losses	2	(5,617,221)	-	-	(5,617,221)
Decrease in Present Value of Estimated Cash Flows from Blandin Residuary Trust	1	-	-	(51,282,871)	(51,282,871)
Other Income		6,630	-	-	6,630
Net Assets Released from Restrictions		<u>21,251,992</u>	<u>(21,251,992)</u>	<u>-</u>	<u>-</u>
Total Revenues, Losses and Contributions		<u>\$ 16,565,054</u>	<u>\$ (6,337,852)</u>	<u>\$ (51,282,871)</u>	<u>\$ (41,055,669)</u>
EXPENSES					
Charitable Activities:					
Grants		\$ 25,924,161	\$ -	\$ -	\$ 25,924,161
Scholarships Programs	8	684,475	-	-	684,475
		3,361,858	-	-	3,361,858
Total Charitable Activities		<u>\$ 29,970,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,970,494</u>
Administrative		<u>1,884,895</u>	<u>-</u>	<u>-</u>	<u>1,884,895</u>
Total Expenses		<u>\$ 31,855,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,855,389</u>
CHANGE IN NET ASSETS		\$ (15,290,335)	\$ (6,337,852)	\$ (51,282,871)	\$ (72,911,058)
Net Assets - Beginning of Year		<u>35,278,941</u>	<u>6,337,852</u>	<u>335,644,337</u>	<u>377,261,130</u>
NET ASSETS - END OF YEAR		<u>\$ 19,988,606</u>	<u>\$ -</u>	<u>\$ 284,361,466</u>	<u>\$ 304,350,072</u>

See accompanying Notes to Financial Statements.

CHARLES K. BLANDIN FOUNDATION
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	NOTE	2001			TOTAL
		UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	
REVENUES, LOSSES AND CONTRIBUTIONS					
Contribution from Blandin Residuary Trust		\$ -	\$ 18,097,047	\$ -	\$ 18,097,047
Investment Income		1,541,696	-	-	1,541,696
Net Realized and Unrealized Investment Losses	2	(6,788,522)	-	-	(6,788,522)
Decrease in Present Value of Estimated Cash Flows from Blandin Residuary Trust	1	-	-	(60,776,663)	(60,776,663)
Other Income		7,782	-	-	7,782
Net Assets Released from Restrictions		<u>15,649,868</u>	<u>(15,649,868)</u>	<u>-</u>	<u>-</u>
Total Revenues, Losses and Contributions		<u>\$ 10,410,824</u>	<u>\$ 2,447,179</u>	<u>\$ (60,776,663)</u>	<u>\$ (47,918,660)</u>
EXPENSES					
Charitable Activities:					
Grants		\$ 13,115,072	\$ -	\$ -	\$ 13,115,072
Scholarships Programs	8	677,531	-	-	677,531
		<u>2,719,566</u>	<u>-</u>	<u>-</u>	<u>2,719,566</u>
Total Charitable Activities		<u>\$ 16,512,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,512,169</u>
Administrative		<u>2,443,550</u>	<u>-</u>	<u>-</u>	<u>2,443,550</u>
Total Expenses		<u>\$ 18,955,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,955,719</u>
CHANGE IN NET ASSETS		\$ (8,544,895)	\$ 2,447,179	\$ (60,776,663)	\$ (66,874,379)
Net Assets - Beginning of Year		<u>43,823,836</u>	<u>3,890,673</u>	<u>396,421,000</u>	<u>444,135,509</u>
NET ASSETS - END OF YEAR		<u>\$ 35,278,941</u>	<u>\$ 6,337,852</u>	<u>\$ 335,644,337</u>	<u>\$ 377,261,130</u>

See accompanying Notes to Financial Statements.

**CHARLES K. BLANDIN FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from C.K. Blandin Residuary Trust	\$ 14,914,140	\$ 18,097,047
Interest and Dividends Received	1,063,918	1,583,781
Cash Paid for Administrative Expenses	(1,580,024)	(2,214,390)
Cash Paid for Charitable Activities	(12,982,603)	(17,931,242)
Net Cash Provided (Used) by Operating Activities	\$ 1,415,431	\$ (464,804)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment and Building	\$ (40,735)	\$ (103,062)
Proceeds from Sale of Investments	53,014,725	48,027,061
Purchase of Investments	(54,525,477)	(49,048,491)
Net Cash Used by Investing Activities	\$ (1,551,487)	\$ (1,124,492)
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (136,056)	\$ (1,589,296)
Cash and Cash Equivalents - Beginning	411,498	2,000,794
CASH AND CASH EQUIVALENTS - ENDING	\$ 275,442	\$ 411,498
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (72,911,058)	\$ (66,874,379)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	274,734	279,393
Decrease in Present Value of Estimated Future Cash Flows from Blandin Residuary Trust	51,282,871	60,776,663
Net Realized and Unrealized Investment Losses	5,617,221	6,788,522
(Increase) Decrease In Current Assets		
Interest and Dividends Receivable	140,265	42,085
Prepaid Expenses and Other Receivables	(129)	(12,239)
Increase (Decrease) in Current Liabilities		
Accounts Payable and Accrued Expenses	23,636	(45,776)
Grants and Scholarships Payable	16,987,891	(1,419,073)
Net Cash Provided (Used) by Operating Activities	\$ 1,415,431	\$ (464,804)

See accompanying Notes to Financial Statements.

**CHARLES K. BLANDIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Purpose

The Charles K. Blandin Foundation, incorporated under the laws of Minnesota, distributes funds and operates programs to strengthen communities in rural Minnesota.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considers all short-term, highly liquid money market investments to be cash equivalents.

Investments

Investments in debt and equity securities with readily determinable fair values are carried at quoted market value. Program related investments, consisting of promissory notes receivable from various organizations and non-publicly traded equity securities, are carried at cost or estimated market value, if lower than cost.

Property, Furniture and Equipment

Property, furniture, and equipment are recorded at cost and depreciated over their estimated useful lives, as shown below, using the straight-line method of depreciation. The Charles K. Blandin Foundation capitalizes all assets with a cost in excess of \$1,000, provided those assets have a useful life extending beyond one year.

Building and Improvements	10 - 30 Years
Furniture and Equipment	5 - 10 Years
Vehicles	5 Years

Present Value of Estimated Future Cash Flows from Charles K. Blandin Residuary Trust

The Charles K. Blandin Foundation is the sole beneficiary of the Charles K. Blandin Residuary Trust, the assets of which are not in the possession of the Foundation. Substantially all of the Foundation's non-investment income is received from this Trust. The present value of future cash flows from the Trust is the current market value of the net assets held by the Trust and is shown as permanently restricted as these assets are currently unavailable for distribution. Market value fluctuations in the Trust are reflected on the Statement of Activities, as a change in permanently restricted net assets.

**CHARLES K. BLANDIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets are classified based on donor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted – Represents assets over which the Board of Trustees has discretionary control.

Temporarily Restricted – Assets received from the Charles K. Blandin Residuary Trust, being held for the exclusive purpose of providing grants for educational and charitable purposes.

The following table illustrates the total receipts from the Trust and the total spending by the Foundation on charitable activities since the Foundation started accounting for temporarily restricted net assets in 1996.

Beginning Temporarily Restricted Net Assets	\$ 5,631,946
Contributions from Blandin Residuary Trust	103,886,951
Net Assets Released from Restrictions	<u>(109,518,897)</u>
Ending Temporarily Restricted Net Assets	<u><u>\$ -</u></u>

Permanently Restricted - Assets of the Charles K. Blandin Residuary Trust are permanently restricted at the donor's request. The Trust is required by IRS regulations to distribute annually, 5% of the average market value of its previous years net assets or, according to the Trust documents, distribute 100% of Trust income, whichever is greater. If the earnings on the assets of the Trust are not greater than or equal to the Trust's required 5% distribution, a portion of the corpus of the Trust will be paid out to cover the remaining distribution requirement.

Net Assets Released from Restrictions

Net assets released from restrictions represent current year's charitable activities (grants, scholarships, and operating programs).

Functional Allocation of Expense

Salaries and related expenses are allocated based on estimates of time spent on various programs. Other expenses, not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

**CHARLES K. BLANDIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

NOTE 2 INVESTMENTS

Cost, market value and net appreciation (depreciation) of investments is as follows:

	2002			2001		
	Cost	Fair Value	Unrealized (Depreciation) Appreciation	Cost	Fair Value	Unrealized (Depreciation) Appreciation
Domestic-Value Equities	\$ 4,915,557	\$ 3,573,547	\$ (1,342,010)	\$ 4,918,712	\$ 4,513,645	\$ (405,067)
Domestic- Small Equities	6,101,461	5,050,518	(1,050,943)	5,961,764	5,862,467	(99,297)
Domestic- Growth Equities	10,028,110	10,050,160	22,050	7,120,536	9,493,026	2,372,490
International Equities	5,702,172	4,861,271	(840,901)	5,557,577	5,272,810	(284,767)
Bonds	10,477,830	10,973,890	496,060	10,763,871	11,063,281	299,410
Venture Capital	2,347,163	1,585,522	(761,641)	3,190,958	2,352,409	(838,549)
Real Estate	2,958,795	2,073,416	(885,379)	2,198,093	1,892,520	(305,573)
Cash	1,256,849	1,256,849	-	4,535,809	4,535,809	-
Program-Related and Directed	5,052,468	5,052,468	-	3,598,143	3,598,143	-
Totals	<u>\$ 48,840,405</u>	<u>\$ 44,477,641</u>	<u>\$ (4,362,764)</u>	<u>\$ 47,845,463</u>	<u>\$ 48,584,110</u>	<u>\$ 738,647</u>
Net Realized Gain (Loss) on Investment Transactions		<u>\$ (515,810)</u>			<u>\$ 1,514,436</u>	
Decrease in Unrealized Market Appreciation		<u>\$ (5,101,411)</u>			<u>\$ (8,302,958)</u>	

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2002	2001
Land, Building and Improvements	\$ 5,218,042	\$ 5,197,672
Furniture, Equipment and Vehicles	1,290,428	1,270,063
Total	<u>\$ 6,508,470</u>	<u>\$ 6,467,735</u>
Less: Accumulated Depreciation	<u>(2,763,574)</u>	<u>(2,488,840)</u>
Net Property and Equipment	<u>\$ 3,744,896</u>	<u>\$ 3,978,895</u>

**CHARLES K. BLANDIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

NOTE 4 FEDERAL EXCISE TAXES AND DISTRIBUTION REQUIREMENTS

The Charles K. Blandin Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. However, the Foundation is classified as a private foundation, and as such, is subject to a federal excise tax of 2% (reduced to 1% if certain requirements are met) on taxable net investment income, which principally includes income from investments plus net realized capital gains (net capital losses, however, are not deductible) less expenses incurred.

The federal excise tax, representing 2% of taxable investment income, was approximately \$0 and \$91,000 in 2002 and 2001, respectively.

The Foundation is subject to distribution requirements of the Internal Revenue Code. Accordingly, it must distribute, in the year immediately following receipt, 100% of the contribution received from the Trust and 5% of the previous years average market value of its assets as defined by the Internal Revenue Code. Failure to meet this distribution requirement subjects the Foundation to a 15% tax on the undistributed balance. The Foundation has complied with the distribution requirements through December 31, 2002.

NOTE 5 EMPLOYEE BENEFIT PLANS

Defined Contribution Plans

All employees of the Charles K. Blandin Foundation working a minimum of 1,000 hours in a plan year, are covered by a defined contribution money purchase plan. The Foundation contributes 6% of each employee's annual compensation. All participants are entitled to a benefit equal to their vested percentage of the individuals pension account balance. The vesting schedule is based on the number of full years of service from zero to 100% vesting at six years.

The Foundation also contributes to a plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees who work a minimum of 1,000 hours in a twelve-month period. The Foundation contributes a matching contribution of up to 6% of gross compensation for all participating employees. All participants are immediately vested in contributions from the Foundation, employee deferral contributions and investment earnings thereon. Employee deferrals are subject to annual limits as defined by the Internal Revenue Code.

Foundation contributions related to these defined contribution plans was approximately \$129,000 and \$105,000 for the years ended December 31, 2002 and 2001, respectively.

**CHARLES K. BLANDIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

NOTE 5 EMPLOYEE BENEFIT PLANS (CONTINUED)

Severance Agreements

The Foundation has entered into severance agreements which provide benefits to specific employees upon reaching retirement age, as defined. The related liability, discounted to the present value of the future commitment, is \$366,136 and \$336,968 at December 31, 2002 and 2001, respectively.

Deferred Compensation

The Foundation provides a deferred compensation, salary deferral arrangement under Internal Revenue Code Section 457(f). The plan allows for salary deferral for participating employees, with no matching contributions by the Foundation.

NOTE 6 CONTINGENCY AND CONCENTRATION OF CREDIT RISK

Certain debt instruments involve credit risk. The Foundation's mortgage investments are collateralized while other debt instruments are generally unsecured.

The Charles K. Blandin Foundation is a secondary guarantor on a \$1,000,000 mortgage. Management believes the likelihood of the Foundation becoming responsible for this liability is remote.

NOTE 7 GRANTS PAYABLE

Grants payable are recorded when approved by the Foundation's Board of Trustees. Long-term grants payable (payable in over one year) are discounted to the present value of future commitments using the prime rate of interest at year-end. Grants have been approved and scheduled for payment as follows:

	<u>2002</u>	<u>2001</u>
2002	\$ -	\$ 9,063,302
2003*	27,408,491	1,704,150
2004	972,500	867,500
2005	<u>25,000</u>	<u>-</u>
Total Grant Commitments	\$ 28,405,991	\$ 11,634,952
Discount to Present Value	<u>(127,534)</u>	<u>(334,220)</u>
Total Present Value of Grant Commitments	<u>\$ 28,278,457</u>	<u>\$ 11,300,732</u>

*The Foundation Board of Trustees has approved a \$20 million commitment to provide capital to the Grand Itasca Clinic and Hospital, for the purpose of construction of a local, innovative health care facility.

**CHARLES K. BLANDIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

NOTE 8 CHARITABLE ACTIVITIES - PROGRAMS

The charitable programs listed separately below, represent the major programs which are internally administered by the Blandin Foundation, with other self-administered grant programs comprising the smaller charitable programs that are also internally administered.

Charitable Activities - Programs	<u>2002</u>	<u>2001</u>
Blandin Associates	\$ 306,718	\$ 108,441
Children 1st	142,556	151,339
Community Investment Partnership	314,559	458,498
Community Leadership Program	1,265,668	1,368,783
Public Policy & Engagement	340,868	304,603
Grant Making	273,159	-
Institutional Leadership	535,850	-
Other Self Administered Grant Programs	182,480	327,902
Total Charitable Activities - Programs	<u>\$ 3,361,858</u>	<u>\$ 2,719,566</u>

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Trustees of the Charles K. Blandin Foundation
Grand Rapids, Minnesota

Our report on our audits of the basic financial statements of the Charles K. Blandin Foundation for 2002 and 2001 appears on page 1. We conducted our audits in accordance with U. S. generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of program expenses and administrative expenses are presented for purposes of additional analysis, and are 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.

LARSON, ALLEN, WEISHAIR & CO., LLP

Brainerd, Minnesota
February 13, 2003

**CHARLES K. BLANDIN FOUNDATION
SCHEDULES OF PROGRAM EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(SEE INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION)**

	<u>2002</u>	<u>2001</u>
BLANDIN ASSOCIATES		
Personnel	\$ 83,490	\$ -
Program Operations	25,836	21,501
Communications	538	5,315
Professional Services	194,737	81,625
Building Operations	2,117	-
Total Blandin Associates	<u>\$ 306,718</u>	<u>\$ 108,441</u>
CHILDREN FIRST!		
Personnel	\$ 14,379	\$ -
Program Operations	60,220	66,725
Communications	12,840	12,238
Professional Services	54,848	72,376
Building Operations	269	-
Total Children First!	<u>\$ 142,556</u>	<u>\$ 151,339</u>
BLANDIN COMMUNITY INVESTMENT PARTNERSHIP		
Personnel	\$ 139,722	\$ 163,190
Program Operations	49,402	125,436
Communications	2,501	313
Professional Services	119,856	162,319
Building Operations	3,078	7,240
Total Community Partnership	<u>\$ 314,559</u>	<u>\$ 458,498</u>
BLANDIN COMMUNITY LEADERSHIP PROGRAM		
Personnel	\$ 313,490	\$ 275,927
Program Operations	496,205	554,824
Communications	13,546	19,426
Professional Services	433,278	511,094
Building Operations	9,149	7,512
Total Community Leadership	<u>\$ 1,265,668</u>	<u>\$ 1,368,783</u>
PUBLIC POLICY & ENGAGEMENT		
Personnel	\$ 152,865	\$ 75,834
Program Operations	85,331	18,447
Communications	8,930	6,597
Professional Services	90,243	199,007
Building Operations	3,499	4,718
Total Public Policy & Engagement	<u>\$ 340,868</u>	<u>\$ 304,603</u>

CHARLES K. BLANDIN FOUNDATION
SCHEDULES OF PROMGRAM EXPENSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(SEE INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION)

	<u>2002</u>	<u>2001</u>
Grant Making		
Personnel	\$ 186,233	\$ -
Program Operations	26,064	-
Communications	2,808	-
Professional Services	52,060	-
Building Operations	5,994	-
Total Grant Making	<u>\$ 273,159</u>	<u>\$ -</u>
Institutional Leadership		
Personnel	\$ 216,235	\$ -
Program Operations	164,437	-
Professional Services	150,550	-
Building Operations	4,628	-
Total Institutional Leadership	<u>\$ 535,850</u>	<u>\$ -</u>
OTHER (Self-Administered Grants)	<u>\$ 182,480</u>	<u>\$ 327,902</u>
TOTAL OPERATING PROGRAMS	<u><u>\$ 3,361,858</u></u>	<u><u>\$ 2,719,566</u></u>

**CHARLES K. BLANDIN FOUNDATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(SEE INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION)**

	2002	2001
ADMINISTRATIVE		
Personnel	\$ 771,134	\$ 949,333
Organization Operations	144,042	153,211
Communications	58,226	225,728
Professional Services	250,873	287,119
Building Operations	85,199	74,480
Trustee Expense	225,880	200,067
Investment Expense	154,302	181,420
Taxes	(79,495)	92,799
Subtotal	\$ 1,610,161	\$ 2,164,157
Depreciation	274,734	279,393
Total Administrative	\$ 1,884,895	\$ 2,443,550

Charles K. Blandin Residuary Trust investment, custodial, record keeping, consulting and management fees of approximately \$2,006,000 and \$2,007,000 were paid for the years ended December 31, 2002 and 2001, respectively. These fees are not paid by the Charles K. Blandin Foundation, but are reflected in the Decrease in Present Value of Estimated Cash Flows from Trust, as reflected on the Statements of Activities.