



**JEWISH COMMUNITY FOUNDATION OF  
SAN DIEGO**

**Consolidated Financial Statements and Supplemental  
Information**

*Years Ended June 30, 2012 and 2011*



**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**  
**Consolidated Financial Statements and Supplemental Information**  
Years Ended June 30, 2012 and 2011

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## INDEPENDENT AUDITORS' REPORT

To the Audit Committee  
Jewish Community Foundation of San Diego  
San Diego, California

We have audited the accompanying consolidated statements of financial position of Jewish Community Foundation of San Diego as of June 30, 2012 and 2011, and the related consolidated statements of activities, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Jewish Community Foundation of San Diego's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Community Foundation of San Diego as of June 30, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information in the schedule of consolidated charitable distributions to organizations and the schedule of consolidated operating expenses within the Operating Fund is presented for purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

**AKT LLP**

San Diego, California  
December 6, 2012

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AKT LLP

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Consolidated Statement of Financial Position**June 30, 2012

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|   | <u>Operating<br/>Fund</u> | <u>Unrestricted<br/>Fund</u> |
|---|---------------------------|------------------------------|
| <b>ASSETS</b>   |                           |                              |
| Cash  | \$ 309,627                | \$ -                         |
| Investments with management companies<br>and debt instruments | 791,832                   | 4,981,482                    |
| Cash surrender value of insurance policies                    | -                         | 719,343                      |
| Other assets  | <u>162,442</u>            | <u>-</u>                     |
| Total Assets  | <u>\$ 1,263,901</u>       | <u>\$ 5,700,825</u>          |
| <b>LIABILITIES AND NET ASSETS</b>                             |                           |                              |
| Liabilities:  |                           |                              |
| Assets held for others  | \$ -                      | \$ -                         |
| Accounts payable  | 161,430                   | -                            |
| Grants payable  | <u>-</u>                  | <u>-</u>                     |
| Total Liabilities   | <u>161,430</u>            | <u>-</u>                     |
| Net Assets:   |                           |                              |
| Unrestricted  | 1,102,471                 | 5,700,825                    |
| Temporarily restricted  | -                         | -                            |
| Permanently restricted  | <u>-</u>                  | <u>-</u>                     |
| Total Net Assets  | <u>1,102,471</u>          | <u>5,700,825</u>             |
| Total Liabilities and Net Assets                              | <u>\$ 1,263,901</u>       | <u>\$ 5,700,825</u>          |

See accompanying notes to consolidated financial statements.

| <u>Donor<br/>Advised<br/>Fund</u> | <u>Restricted<br/>Endowment<br/>Fund</u> | <u>Supporting<br/>Foundations</u> | <u>Custodial<br/>Fund</u> | <u>Charitable<br/>Trusts and<br/>Gift Annuities</u> | <u>Total</u>          |
|-----------------------------------|--|-----------------------------------|---------------------------|---|-----------------------|
| \$ 161,151                        | \$ 102,822                               | \$ 71,559                         | \$ 58,626                 | \$ (6,245)  | \$ 697,540            |
| 88,494,574                        | 28,349,891                               | 52,320,449                        | 72,776,559                | 1,191,714   | 248,906,501           |
| -                                 | -  | -                                 | -                         | -   | 719,343               |
| <u>805,345</u>                    | <u>338,530</u>                           | <u>449,347</u>                    | <u>-</u>                  | <u>-</u>  | <u>1,755,664</u>      |
| <u>\$ 89,461,070</u>              | <u>\$ 28,791,243</u>                     | <u>\$ 52,841,355</u>              | <u>\$ 72,835,185</u>      | <u>\$ 1,185,469</u>                                 | <u>\$ 252,079,048</u> |
| \$ -                              | \$ 2,184,869                             | \$ 1,098,682                      | \$ 72,835,185             | \$ 582,483  | \$ 76,701,219         |
| 34,801                            | -  | 270,628                           | -                         | 602,986   | 1,069,845             |
| <u>-</u>                          | <u>18,614</u>                            | <u>5,803,000</u>                  | <u>-</u>                  | <u>-</u>  | <u>5,821,614</u>      |
| <u>34,801</u>                     | <u>2,203,483</u>                         | <u>7,172,310</u>                  | <u>72,835,185</u>         | <u>1,185,469</u>                                    | <u>83,592,678</u>     |
| -                                 | (139,740)                                | -                                 | -                         | -   | 6,663,556             |
| 89,426,269                        | 15,067,929                               | 45,669,045                        | -                         | -   | 150,163,243           |
| <u>-</u>                          | <u>11,659,571</u>                        | <u>-</u>                          | <u>-</u>                  | <u>-</u>  | <u>11,659,571</u>     |
| <u>89,426,269</u>                 | <u>26,587,760</u>                        | <u>45,669,045</u>                 | <u>-</u>                  | <u>-</u>  | <u>168,486,370</u>    |
| <u>\$ 89,461,070</u>              | <u>\$ 28,791,243</u>                     | <u>\$ 52,841,355</u>              | <u>\$ 72,835,185</u>      | <u>\$ 1,185,469</u>                                 | <u>\$ 252,079,048</u> |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Consolidated Statement of Financial Position**

June 30, 2011

|   | <u>Operating<br/>Fund</u> | <u>Unrestricted<br/>Fund</u> |
|---|---------------------------|------------------------------|
| <b>ASSETS</b>   |                           |                              |
| Cash  | \$ 233,393                | \$ -                         |
| Investments with management companies<br>and debt instruments | 776,450                   | 5,248,846                    |
| Cash surrender value of insurance policies                    | -                         | 741,899                      |
| Other assets  | <u>271,772</u>            | <u>-</u>                     |
| Total Assets  | <u>\$ 1,281,615</u>       | <u>\$ 5,990,745</u>          |
| <b>LIABILITIES AND NET ASSETS</b>                             |                           |                              |
| Liabilities:  |                           |                              |
| Assets held for others  | \$ -                      | \$ -                         |
| Accounts payable  | 154,597                   | -                            |
| Grants payable  | <u>-</u>                  | <u>-</u>                     |
| Total Liabilities   | <u>154,597</u>            | <u>-</u>                     |
| Net Assets:   |                           |                              |
| Unrestricted  | 1,127,018                 | 5,990,745                    |
| Temporarily restricted  | -                         | -                            |
| Permanently restricted  | <u>-</u>                  | <u>-</u>                     |
| Total Net Assets  | <u>1,127,018</u>          | <u>5,990,745</u>             |
| Total Liabilities and Net Assets                              | <u>\$ 1,281,615</u>       | <u>\$ 5,990,745</u>          |

See accompanying notes to consolidated financial statements.

| <u>Donor<br/>Advised<br/>Fund</u> | <u>Restricted<br/>Endowment<br/>Fund</u> | <u>Supporting<br/>Foundations</u> | <u>Custodial<br/>Fund</u> | <u>Charitable<br/>Trusts and<br/>Gift Annuities</u> | <u>Total</u>          |
|-----------------------------------|--|-----------------------------------|---------------------------|---|-----------------------|
| \$ 238,029                        | \$ 7,152                                 | \$ 165,366                        | \$ 81,133                 | \$ (14,344)   | \$ 710,729            |
| 89,565,495                        | 14,995,813                               | 57,022,106                        | 73,643,961                | 1,205,755   | 242,458,426           |
| -                                 | -  | -                                 | -                         | -   | 741,899               |
| <u>1,321,023</u>                  | <u>401,280</u>                           | <u>469,003</u>                    | <u>-</u>                  | <u>-</u>  | <u>2,463,078</u>      |
| <u>\$ 91,124,547</u>              | <u>\$ 15,404,245</u>                     | <u>\$ 57,656,475</u>              | <u>\$ 73,725,094</u>      | <u>\$ 1,191,411</u>                                 | <u>\$ 246,374,132</u> |
| \$ -                              | \$ 2,669,340                             | \$ 1,069,875                      | \$ 73,720,129             | \$ 702,547  | \$ 78,161,891         |
| 34,144                            | -  | 303,523                           | 4,965                     | 488,864   | 986,093               |
| <u>-</u>                          | <u>-</u>                                 | <u>4,762,400</u>                  | <u>-</u>                  | <u>-</u>  | <u>4,762,400</u>      |
| <u>34,144</u>                     | <u>2,669,340</u>                         | <u>6,135,798</u>                  | <u>73,725,094</u>         | <u>1,191,411</u>                                    | <u>83,910,384</u>     |
| -                                 | (6,836)                                  | -                                 | -                         | -   | 7,110,927             |
| 91,090,403                        | 2,133,871                                | 51,520,677                        | -                         | -   | 144,744,951           |
| <u>-</u>                          | <u>10,607,870</u>                        | <u>-</u>                          | <u>-</u>                  | <u>-</u>  | <u>10,607,870</u>     |
| <u>91,090,403</u>                 | <u>12,734,905</u>                        | <u>51,520,677</u>                 | <u>-</u>                  | <u>-</u>  | <u>162,463,748</u>    |
| <u>\$ 91,124,547</u>              | <u>\$ 15,404,245</u>                     | <u>\$ 57,656,475</u>              | <u>\$ 73,725,094</u>      | <u>\$ 1,191,411</u>                                 | <u>\$ 246,374,132</u> |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Consolidated Statement of Activities**

Year Ended June 30, 2012

|  | Operating<br>Fund   | Unrestricted<br>Fund | Donor<br>Advised<br>Fund | Restricted<br>Endowment<br>Fund |
|--|---------------------|----------------------|--------------------------|---------------------------------|
| Philanthropic Activity:  |                     |                      |                          |                                 |
| Contributions from donors  | \$ 206,580          | \$ 6,668             | \$ 79,141,372            | \$ 15,195,987                   |
| Contributions (to) from funds  | 134,898             | (108,084)            | (190,408)                | (63,025)                        |
| Distributions to charitable organizations                            | (1,800)             | -                    | (78,037,287)             | (1,070,372)                     |
| Total Philanthropic Activity   | <u>339,678</u>      | <u>(101,416)</u>     | <u>913,677</u>           | <u>14,062,590</u>               |
| Investment Activity:   |                     |                      |                          |                                 |
| Interest and dividends   | 2,917               | 170,477              | 2,165,665                | 431,414                         |
| Gain (loss) on investments   | 222                 | (352,639)            | (3,753,077)              | (531,776)                       |
| Commissions on sale of investments and<br>investment management fees | (7,951)             | (6,342)              | (154,292)                | (19,111)                        |
| Total Investment Activity  | <u>(4,812)</u>      | <u>(188,504)</u>     | <u>(1,741,704)</u>       | <u>(119,473)</u>                |
| Operating Activity:  |                     |                      |                          |                                 |
| Administrative fees  | 1,559,061           | -                    | (836,107)                | (90,262)                        |
| Other revenues   | 1,149,467           | -                    | -                        | -                               |
| Operating expenses   | (3,067,941)         | -                    | -                        | -                               |
| Total Operating Activity   | <u>(359,413)</u>    | <u>-</u>             | <u>(836,107)</u>         | <u>(90,262)</u>                 |
| Increase (Decrease) in Net Assets                                    | (24,547)            | (289,920)            | (1,664,134)              | 13,852,855                      |
| Net Assets Released from Restrictions                                | -                   | -                    | -                        | -                               |
| Net Assets, beginning  | <u>1,127,018</u>    | <u>5,990,745</u>     | <u>91,090,403</u>        | <u>12,734,905</u>               |
| Net Assets, ending   | <u>\$ 1,102,471</u> | <u>\$ 5,700,825</u>  | <u>\$ 89,426,269</u>     | <u>\$ 26,587,760</u>            |

See accompanying notes to consolidated financial statements.



|                           |                       | Total by Net Asset Classification |                                    |                                    |
|---------------------------|-----------------------|-----------------------------------|------------------------------------|------------------------------------|
| Supporting<br>Foundations | Total                 | Total<br>Unrestricted             | Total<br>Temporarily<br>Restricted | Total<br>Permanently<br>Restricted |
| \$ 2,036,343              | \$ 96,586,950         | \$ 180,705                        | \$ 95,354,544                      | \$ 1,051,701                       |
| 251,616                   | 24,997                | 26,814                            | (1,817)                            | -                                  |
| (8,287,168)               | (87,396,627)          | (87,396,627)                      | -                                  | -                                  |
| <u>(5,999,209)</u>        | <u>9,215,320</u>      | <u>(87,189,108)</u>               | <u>95,352,727</u>                  | <u>1,051,701</u>                   |
| 1,472,171                 | 4,242,644             | 604,808                           | 3,637,836                          | -                                  |
| (881,073)                 | (5,518,343)           | (884,193)                         | (4,634,150)                        | -                                  |
| <u>(69,259)</u>           | <u>(256,955)</u>      | <u>(256,955)</u>                  | <u>-</u>                           | <u>-</u>                           |
| <u>521,839</u>            | <u>(1,532,654)</u>    | <u>(536,340)</u>                  | <u>(996,314)</u>                   | <u>-</u>                           |
| (379,112)                 | 253,580               | 253,580                           | -                                  | -                                  |
| 4,850                     | 1,154,317             | 1,149,467                         | 4,850                              | -                                  |
| <u>-</u>                  | <u>(3,067,941)</u>    | <u>(3,067,941)</u>                | <u>-</u>                           | <u>-</u>                           |
| <u>(374,262)</u>          | <u>(1,660,044)</u>    | <u>(1,664,894)</u>                | <u>4,850</u>                       | <u>-</u>                           |
| (5,851,632)               | 6,022,622             | (89,390,342)                      | 94,361,263                         | 1,051,701                          |
| -                         | -                     | 88,942,971                        | (88,942,971)                       | -                                  |
| <u>51,520,677</u>         | <u>162,463,748</u>    | <u>7,110,927</u>                  | <u>144,744,951</u>                 | <u>10,607,870</u>                  |
| <u>\$ 45,669,045</u>      | <u>\$ 168,486,370</u> | <u>\$ 6,663,556</u>               | <u>\$ 150,163,243</u>              | <u>\$ 11,659,571</u>               |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Consolidated Statement of Activities**

Year Ended June 30, 2011

|  | Operating<br>Fund   | Unrestricted<br>Fund | Donor<br>Advised<br>Fund | Restricted<br>Endowment<br>Fund |
|--|---------------------|----------------------|--------------------------|---------------------------------|
| Philanthropic Activity:  |                     |                      |                          |                                 |
| Contributions from donors  | \$ 330,943          | \$ 1,014             | \$ 78,670,636            | \$ 4,800,644                    |
| Contributions (to) from funds  | 350,586             | (282,000)            | (754,919)                | 784,859                         |
| Distributions to charitable organizations                            | (20,200)            | -                    | (70,859,290)             | (784,190)                       |
| Total Philanthropic Activity   | <u>661,329</u>      | <u>(280,986)</u>     | <u>7,056,427</u>         | <u>4,801,313</u>                |
| Investment Activity:   |                     |                      |                          |                                 |
| Interest and dividends   | 2,175               | 180,107              | 2,290,443                | 357,069                         |
| Gain on investments  | 741                 | 870,813              | 8,936,457                | 1,115,058                       |
| Commissions on sale of investments and<br>investment management fees | (6,189)             | (5,726)              | (126,501)                | (11,515)                        |
| Total Investment Activity  | <u>(3,273)</u>      | <u>1,045,194</u>     | <u>11,100,399</u>        | <u>1,460,612</u>                |
| Operating Activity:  |                     |                      |                          |                                 |
| Administrative fees  | 1,468,092           | -                    | (773,317)                | (77,344)                        |
| Other revenues   | 907,590             | -                    | -                        | -                               |
| Operating expenses   | (2,556,064)         | -                    | -                        | -                               |
| Total Operating Activity   | <u>(180,382)</u>    | <u>-</u>             | <u>(773,317)</u>         | <u>(77,344)</u>                 |
| Increase (Decrease) in Net Assets                                    | 477,674             | 764,208              | 17,383,509               | 6,184,581                       |
| Net Assets Released from Restrictions                                | -                   | -                    | -                        | -                               |
| Net Assets, beginning  | <u>649,344</u>      | <u>5,226,537</u>     | <u>73,706,894</u>        | <u>6,550,324</u>                |
| Net Assets, ending   | <u>\$ 1,127,018</u> | <u>\$ 5,990,745</u>  | <u>\$ 91,090,403</u>     | <u>\$ 12,734,905</u>            |

See accompanying notes to consolidated financial statements.

| Supporting<br>Foundations | Total                 | Total by Net Asset Classification |                                    |                                    |
|---------------------------|-----------------------|-----------------------------------|------------------------------------|------------------------------------|
|                           |                       | Total<br>Unrestricted             | Total<br>Temporarily<br>Restricted | Total<br>Permanently<br>Restricted |
| \$ 263,793                | \$ 84,067,030         | \$ 331,957                        | \$ 79,538,998                      | \$ 4,196,075                       |
| (454,321)                 | (355,795)             | (1,111,656)                       | (261,477)                          | 1,017,338                          |
| <u>(4,233,644)</u>        | <u>(75,897,324)</u>   | <u>(75,897,324)</u>               | <u>-</u>                           | <u>-</u>                           |
| <u>(4,424,172)</u>        | <u>7,813,911</u>      | <u>(76,677,023)</u>               | <u>79,277,521</u>                  | <u>5,213,413</u>                   |
| 1,192,855                 | 4,022,649             | 539,351                           | 3,483,298                          | -                                  |
| 6,076,286                 | 16,999,355            | 1,986,612                         | 15,012,743                         | -                                  |
| <u>(133,232)</u>          | <u>(283,163)</u>      | <u>(283,163)</u>                  | <u>-</u>                           | <u>-</u>                           |
| <u>7,135,909</u>          | <u>20,738,841</u>     | <u>2,242,800</u>                  | <u>18,496,041</u>                  | <u>-</u>                           |
| (374,393)                 | 243,038               | 243,038                           | -                                  | -                                  |
| -                         | 907,590               | 907,590                           | -                                  | -                                  |
| <u>-</u>                  | <u>(2,556,064)</u>    | <u>(2,556,064)</u>                | <u>-</u>                           | <u>-</u>                           |
| <u>(374,393)</u>          | <u>(1,405,436)</u>    | <u>(1,405,436)</u>                | <u>-</u>                           | <u>-</u>                           |
| 2,337,344                 | 27,147,316            | (75,839,659)                      | 97,773,562                         | 5,213,413                          |
| -                         | -                     | 77,371,685                        | (77,371,685)                       | -                                  |
| <u>49,183,333</u>         | <u>135,316,432</u>    | <u>5,578,901</u>                  | <u>124,343,074</u>                 | <u>5,394,457</u>                   |
| <u>\$ 51,520,677</u>      | <u>\$ 162,463,748</u> | <u>\$ 7,110,927</u>               | <u>\$ 144,744,951</u>              | <u>\$ 10,607,870</u>               |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Consolidated Statements of Cash Flows**

Years Ended June 30, 2012 and 2011

|  | <u>2012</u>         | <u>2011</u>         |
|--|---------------------|---------------------|
| Cash Flows from Operating Activities:  |                     |                     |
| Increase in net assets   | \$ 6,022,622        | \$ 27,147,316       |
| Adjustments to reconcile increase in net assets to<br>net cash used by operating activities: |                     |                     |
| Donation of investments  | (67,682,346)        | (68,820,034)        |
| (Gain) loss on investments   | 5,518,343           | (16,999,355)        |
| Depreciation   | 33,451              | 33,451              |
| Contributions permanently restricted   | (1,051,701)         | (5,213,413)         |
| Changes in operating assets and liabilities:   |                     |                     |
| Cash surrender value of insurance policies   | 22,556              | (77,260)            |
| Other assets   | 673,963             | 1,169,618           |
| Assets held for others   | (1,460,672)         | 13,440,572          |
| Accounts payable   | 83,752              | 121,477             |
| Grants payable   | 1,059,214           | (4,023,141)         |
| Net Cash Used by Operating Activities  | <u>(56,780,818)</u> | <u>(53,220,769)</u> |
| Cash Flows from Investing Activities:  |                     |                     |
| Purchases of investments   | (100,798,718)       | (83,758,143)        |
| Proceeds from sales of investments   | <u>156,514,646</u>  | <u>131,799,251</u>  |
| Net Cash Provided by Investing Activities  | <u>55,715,928</u>   | <u>48,041,108</u>   |
| Cash Flows Provided by Financing Activities:   |                     |                     |
| Contributions permanently restricted   | <u>1,051,701</u>    | <u>5,213,413</u>    |
| Net Increase (Decrease) in Cash  | (13,189)            | 33,752              |
| Cash, beginning  | <u>710,729</u>      | <u>676,977</u>      |
| Cash, ending   | <u>\$ 697,540</u>   | <u>\$ 710,729</u>   |

See accompanying notes to consolidated financial statements.

# **JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**

## **Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

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### **Note 1 – Organization and Summary of Significant Accounting Policies**

#### Nature of Activities

Jewish Community Foundation of San Diego (Foundation) is a California nonprofit charitable organization whose primary purpose is to promote philanthropy through meaningful partnerships with donors and community organizations in achieving charitable goals and to increase current and future support for a vibrant and secure Jewish and general community in San Diego, Israel, and around the world. The Foundation's activities are conducted by a chief executive officer and supporting staff.

#### Basis of Consolidation

The consolidated financial statements include the accounts of the Foundation, nine supporting foundations, and the Community Foundation Charitable Real Estate Fund. All significant inter-entity balances and transactions have been eliminated in consolidation.

#### Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts are maintained in accordance with the principles of fund accounting. Resources are classified for accounting and recording purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. In the consolidated financial statements, funds that have similar characteristics have been combined into fund groups.

#### Financial Statement Presentation

The Foundation reports 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 represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Foundation may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

#### Classification of Funds

The assets, liabilities, and net assets of the Foundation are reported in self-balancing fund groups as follows:

##### Unrestricted Funds

###### Operating Fund

The Operating Fund consists of revenues and expenses related to the operations of the Foundation. Each fiscal year, the Board of Directors approves the operating budget, which outlines the projected revenues and expenses for the following fiscal year.

Income from operations is generated from administrative fees on managed funds, consulting fees, donations specified for operations, and approved transfer of funds from the unrestricted endowment fund. This income may be utilized for the payment of reasonable and necessary operating expenses and grants of the Foundation.

## **JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**

### **Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

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#### **Note 1 – Organization and Summary of Significant Accounting Policies, continued**

##### Unrestricted Funds, continued

###### Unrestricted Fund

In 1988, the Board of Directors (Board) authorized the transfer of \$1,115,000 of unrestricted funds to be used to establish an Unrestricted Fund. It is the Foundation's policy that the principal in this fund be invested in perpetuity. Investment expenses are included in investment activity in the Fund.

In 2005, the Board of Directors approved a revision to the Foundation's by-laws giving the Foundation's Board the right to use up to 5% of the market value of the Unrestricted Fund at June 30, in connection with the purpose of the Foundation, including operating expenses and grants for the following year. The use of more than 5% of such market value requires the affirmative vote of two-thirds of the Directors then in office. In the event the amount so authorized would cause the Unrestricted Fund to drop below \$1.5 million, then such use would require the affirmative vote of two-thirds of the Board of Directors of the Foundation then in office and the approval of the United Jewish Federation of San Diego County's Board of Directors.

The Unrestricted Fund was determined to include (a) \$5,990,745 (the balance of the Foundation's Unrestricted Fund as of June 30, 2011) and (b) gifts during the year ended June 30, 2012 to the Unrestricted Fund including undesignated bequests, plus related interest and dividends and all accumulated appreciation. During the years ended June 30, 2012 and 2011, the Foundation used \$108,084 and \$282,000, respectively, from the Unrestricted Fund to support the current years' grants. Net appreciation (depreciation) of Fund assets held by management companies totaled approximately (\$352,000) and \$870,000 for the years ended June 30, 2012 and 2011, respectively.

Assets in the Unrestricted Fund are invested on a total return basis with a Board directed guideline that not more than 70% of the asset portfolio be invested in equity securities. At June 30, 2012 and 2011, the equity portion of the Fund was approximately 60% and 69%, respectively.

##### Temporarily Restricted Fund

###### Donor Advised Fund

The Donor Advised Fund consists of contributions accepted and received from donors by the Foundation and the accumulated undistributed earnings of the Fund. Such contributions generally consist of cash and securities. The donor may make a nonbinding recommendation of an organization to which distributions are to be made if such recommendation is consistent with the specific charitable goals of the Foundation.

The Donor Advised Fund balance represents amounts retained for future distribution to qualified organizations and for qualifying expenses. Accordingly, since the timing of future distributions cannot be precisely determined, the Donor Advised Funds, by definition, have been classified as temporarily restricted net assets.

Earnings, gains, and losses attributable to assets contributed to and held in the Donor Advised Fund are credited or charged to the specific accounts.

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

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#### Note 1 – Organization and Summary of Significant Accounting Policies, continued

##### Temporarily Restricted Funds, continued

###### Supporting Foundations

The Foundation maintains control over all supporting foundations. In all cases but one, the Foundation holds the majority of the Board of Directors' positions. Therefore, the supporting foundations' statements of financial position and activities have been consolidated with the Foundation's. Each of the eleven supporting foundations develops its mission statement, investment policies, and grant guidelines. However, as a public charity affiliated with the Foundation, the mission of each supporting foundation is to conduct and support the activities and the mission of the Foundation with at least 25% of its distributions to Jewish charities.

Multi-year grants are made from several of the supporting foundations.

Future minimum grant obligations are as follows:

| Years ending<br>June 30, |                     |
|--------------------------|---------------------|
| 2013                     | \$ 2,676,000        |
| 2014                     | 1,040,000           |
| 2015                     | 801,000             |
| 2016                     | 786,000             |
| 2017                     | 500,000             |
| Thereafter               | -                   |
|                          | <u>\$ 5,803,000</u> |

One Supporting Foundation also receives multi-year pledge receivables. As of June 30, 2012 and 2011, pledges receivable totaled approximately \$68,000 and \$79,000, respectively. The pledges are receivable through June 30, 2013.

Included in this category is the Charitable Real Estate Fund. The Foundation is the sole voting member of the Charitable Real Estate Fund. Accordingly, the Fund's statements of financial position and activities as of and for the years ended June 30, 2012 and 2011 have been consolidated with the Foundation. The principal purpose of the Fund is to serve as an integral part of the charitable program of the Foundation by accepting title to and managing certain assets, such as contributed real estate, pending sale or liquidation of such assets.

###### Custodial Fund

The Foundation has agreements with charitable organizations whereby the Foundation receives assets from the organizations, invests them and distributes them in accordance with the organizations' directives. To facilitate accounting for these assets, separate funds have been created within the Foundation.

##### Permanently Restricted Fund

###### Restricted Endowment Fund

The Foundation manages 57 donor restricted endowment funds. The restrictions on 37 of these funds require the principal be held in perpetuity. The remaining funds will be released to unrestricted funds upon expiration of the donor-imposed restrictions. The income generated by these funds is to be used exclusively for the payment of designated distributions and expenses in administering these programs.

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**  
**Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

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**Note 1 – Organization and Summary of Significant Accounting Policies, continued**

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at fair values in the consolidated statements of financial position. Investments acquired by gift are recorded at their fair market value at the date of the gift. Alternative investments, for which quoted market prices are not readily available, are valued at fair value by the investment manager based on factors deemed relevant by the manager including, but not limited to, market conditions, purchase price, estimated liquidation value, restrictions on transfer and meaningful third party transactions in the private market. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. Realized and unrealized gains and losses are included in the changes in net assets in the consolidated statements of activities.

Investment return on restricted assets is reported as an increase in unrestricted net assets if the asset restriction expires in the reporting period in which the income is recognized. All other restricted investment return is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Money market and mutual funds are defined as investments due to their nature as a long-term investment.

Other Assets

Capital campaign pledges for the benefit of a local Jewish organization are recorded as receivables at the time the pledge is received. Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are discounted (when material) to their estimated net present value. The pledges plus bequests and other receivables are included in other accounts receivable in the consolidated statements of financial position.

An allowance for uncollectible pledges, bequests, and other receivables are provided based upon management's estimate of the collectability. Management believes all of these amounts outstanding are collectible and, therefore, no allowance has been recorded.

Acquisitions of property and equipment of \$20,000 or more are capitalized. Property and equipment acquisitions are recorded at cost. Donated property and equipment are recorded at fair value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful life of the assets.

Assets Held for Others

The Foundation receives and holds resources which the Foundation does not have the unilateral (variance) power to redirect the use of the money without the approval of the resource provider. Upon donation, a contributor can designate a specific agency or a field of interest. When a contributor names a specific agency, the Foundation does not have variance power. When the contributor names a field of interest (e.g. children), the Foundation has variance power. Money held without variance power is classified as a liability in the consolidated statements of financial position of the Foundation.

Use of 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.

Income Tax Status

The Foundation is classified as a Section 501(c)(3) Organization under the Federal Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is exempt from federal income and state franchise taxes. The Foundation, however, may occasionally be subject to taxes on unrelated business income. The Foundation paid approximately \$39,000 and \$10,000 in tax on unrelated business income for the years ended June 30, 2012 and 2011, respectively. The Foundation is not a private foundation.



## **JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**

### **Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

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#### **Note 1 – Organization and Summary of Significant Accounting Policies, continued**

##### Income Tax Status, continued

The Foundation recognizes the financial statements effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and the various positions related to the potential sources of unrelated business income. The assessment of the technical merits of a tax position is a matter of judgment. The Foundation believes that all its tax positions are more likely than not to be sustained upon examination.

The Foundation files income tax returns in the United States and various state and local jurisdictions. The Foundation's federal income tax returns for the years prior to 2009 are closed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

##### Fair Value Measurements

The Foundation defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Foundation applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2012 and 2011, due to the relative short maturities of these instruments.

##### Subsequent Events

The Foundation has evaluated subsequent events through December 6, 2012, which is the date the consolidated financial statements were available to be issued.

#### **Note 2 – Concentrations**

##### Cash

The Foundation maintains its cash in bank deposit accounts that are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. At June 30, 2012, the Foundation did not have any uninsured balances. In addition, the Foundation has deposited cash in money market funds. Money market funds are carried at fair value and are invested in government securities.

##### Contributions

During the year ended June 30, 2012, the Foundation had two major contributors that accounted for approximately 57% and 15% of the Foundation's total contributions. During the year ended June 30, 2011, the Foundation had one major contributor that accounted for approximately 65% of the Foundation's total contributions. Management believes that the Foundation is not exposed to any significant concentration risk in the near term.

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

**Note 3 – Investments**

Investments consist of the following:

|                              | <u>2012</u>         | <u>2011</u>         |
|------------------------------|---------------------|---------------------|
| Operating Fund:              |                     |                     |
| Money market funds           | \$ 791,828          | \$ 776,450          |
| Mutual funds                 |                     |                     |
| Fixed income - domestic      | 3                   | -                   |
| Large cap - domestic         | 1                   | -                   |
|                              | <u>\$ 791,832</u>   | <u>\$ 776,450</u>   |
|                              |                     |                     |
|                              | <u>2012</u>         | <u>2011</u>         |
| Unrestricted Fund:           |                     |                     |
| Money market funds           | \$ 290,421          | \$ 12,599           |
| Mutual funds:                |                     |                     |
| Fixed income - domestic      | 1,194,061           | 1,614,545           |
| Fixed income - international | 520,067             | -                   |
| Large cap - domestic         | 376,102             | 1,216,682           |
| Large cap - international    | 229,148             | 1,479,124           |
| Mid cap - domestic           | 129,020             | -                   |
| Small cap - domestic         | 130,515             | 314,931             |
| Small cap - international    | 179,333             | -                   |
| Global equity                | 1,396,947           | -                   |
| Commodities                  | 239,609             | 258,243             |
| Alternative investments:     |                     |                     |
| Hedge fund of funds          | 296,259             | 352,722             |
|                              | <u>\$ 4,981,482</u> | <u>\$ 5,248,846</u> |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

**Note 3 – Investments, continued**

|                                  | <u>2012</u>          | <u>2011</u>          |
|----------------------------------|----------------------|----------------------|
| Donor Advised Fund:              |                      |                      |
| Money market funds               | \$ 22,744,108        | \$ 24,550,877        |
| Equity securities:               |                      |                      |
| Large cap - domestic             | 87,062               | -                    |
| Large cap - international        | 6,521                | -                    |
| Mid cap - domestic               | 19,253               | -                    |
| Mid cap - international          | 1,079                | -                    |
| Fixed income:                    |                      |                      |
| Government bonds - international | 598,166              | 618,732              |
| Mutual funds:                    |                      |                      |
| Fixed income - domestic          | 22,421,326           | 24,340,530           |
| Fixed income - international     | 5,944,292            | -                    |
| Large cap - domestic             | 7,917,004            | 16,103,752           |
| Large cap - international        | 4,568,458            | 18,081,576           |
| Mid cap - domestic               | 1,557,031            | -                    |
| Small cap - domestic             | 1,538,563            | 3,039,267            |
| Small cap - international        | 2,166,529            | -                    |
| Global equity                    | 15,897,523           | -                    |
| Real estate                      | 44,123               | -                    |
| Commodities                      | 2,568,192            | 2,513,141            |
| Real Estate Investment Trust     | 28,769               | 5,396                |
| Alternative investments:         |                      |                      |
| Hedge fund of funds              | 386,575              | 312,224              |
|                                  | <u>\$ 88,494,574</u> | <u>\$ 89,565,495</u> |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

**Note 3 – Investments, continued**

|                                  | 2012                 | 2011                 |
|----------------------------------|----------------------|----------------------|
| Restricted Endowment Fund:       |                      |                      |
| Money market funds               | \$ 2,038,557         | \$ 1,591,488         |
| Equity securities:               |                      |                      |
| Large cap - domestic             | 653,711              | -                    |
| Large cap - international        | 48,965               | -                    |
| Mid cap - domestic               | 144,563              | -                    |
| Mid cap - international          | 8,098                | -                    |
| Fixed income:                    |                      |                      |
| Government bonds - domestic      | 222,943              | -                    |
| Government bonds - international | 103,040              | 104,354              |
| Corporate bonds - domestic       | 3,275,492            | 3,160,215            |
| Mutual funds:                    |                      |                      |
| Fixed income - domestic          | 7,132,234            | 3,109,556            |
| Fixed income - international     | 1,623,423            | -                    |
| Large cap - domestic             | 2,935,767            | 2,600,578            |
| Large cap - international        | 3,109,572            | 3,211,051            |
| Mid cap - domestic               | 1,032,362            | -                    |
| Small cap - domestic             | 879,713              | 590,641              |
| Small cap - international        | 412,265              | -                    |
| Global equity                    | 3,356,242            | -                    |
| Real estate                      | 402,886              | -                    |
| Commodities                      | 838,946              | 487,858              |
| Alternative investments:         |                      |                      |
| Hedge fund of funds              | 131,112              | 140,072              |
|                                  | <u>\$ 28,349,891</u> | <u>\$ 14,995,813</u> |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

**Note 3 – Investments, continued**

|                                  | 2012                 | 2011                 |
|----------------------------------|----------------------|----------------------|
| Supporting Foundations:          |                      |                      |
| Money market funds               | \$ 5,436,718         | \$ 4,615,917         |
| Equity securities:               |                      |                      |
| Large cap - domestic             | 1,014,909            | 5,368,225            |
| Large cap - international        | 256,583              | 1,501,801            |
| Mid cap - domestic               | -                    | 1,065,159            |
| Mid cap - international          | -                    | 90,337               |
| Small cap - domestic             | -                    | 196,270              |
| Fixed income:                    |                      |                      |
| Government bonds - domestic      | 11,003,781           | 13,589,968           |
| Government bonds - international | 308,968              | 244,080              |
| Corporate bonds - domestic       | 3,234,988            | 3,740,014            |
| Corporate bonds - international  | 157,016              | 152,511              |
| Certificate of Deposits          | -                    | 241,409              |
| Mutual funds:                    |                      |                      |
| Fixed income - domestic          | 5,137,713            | 1,575,246            |
| Fixed income - international     | 985,201              | 79,040               |
| Large cap - domestic             | 6,511,603            | 6,186,985            |
| Large cap - international        | 3,043,199            | 1,371,514            |
| Mid cap - domestic               | 495,499              | 251,217              |
| Small cap - domestic             | 849,928              | 223,508              |
| Small cap - international        | 101,396              | 1,028,472            |
| Global equity                    | 753,703              | -                    |
| Real estate                      | 122,243              | -                    |
| Commodities                      | -                    | 95,908               |
| Annuity                          | 2,829,729            | 3,230,380            |
| Real Estate Investment Trust     | 11,011               | 26,238               |
| Alternative investments:         |                      |                      |
| Mutual funds                     | -                    | 52,509               |
| Private equity funds             | 2,119,529            | 2,050,466            |
| Special purpose vehicle          | 11,166               | 11,316               |
| Hedge fund of funds              | 7,935,566            | 10,033,616           |
|                                  | <u>\$ 52,320,449</u> | <u>\$ 57,022,106</u> |

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

#### Note 3 – Investments, continued

|                                       | 2012          | 2011          |
|---------------------------------------|---------------|---------------|
| Custodial Fund:                       |               |               |
| Money market funds                    | \$ 9,291,140  | \$ 9,982,788  |
| Equity securities:                    |               |               |
| Large cap - domestic                  | -             | 96,960        |
| Large cap - international             | -             | 40,362        |
| Mid cap - domestic                    | -             | 138,218       |
| Fixed income:                         |               |               |
| Government bonds - international      | 364,223       | 349,232       |
| Corporate bonds - domestic            | 7,519         | 28,713        |
| Mutual funds:                         |               |               |
| Fixed income - domestic               | 17,621,648    | 19,950,082    |
| Fixed income - international          | 6,802,782     | -             |
| Large cap - domestic                  | 5,959,422     | 15,392,706    |
| Large cap - international             | 3,480,119     | 18,658,358    |
| Mid cap - domestic                    | 1,686,724     | -             |
| Small cap - domestic                  | 1,697,175     | 3,623,433     |
| Small cap - international             | 2,430,804     | -             |
| Global equity                         | 18,318,536    | -             |
| Real estate                           | 24,300        | -             |
| Commodities                           | 3,020,419     | 2,983,035     |
| Real Estate Investment Trust          | -             | 88,106        |
| Alternative investments:              |               |               |
| Hedge fund of funds                   | 2,071,748     | 2,311,968     |
|                                       | \$ 72,776,559 | \$ 73,643,961 |
|                                       | 2012          | 2011          |
| Charitable Trusts and Gift Annuities: |               |               |
| Money market funds                    | \$ 53,885     | \$ 61,418     |
| Fixed income:                         |               |               |
| Government bonds - domestic           | 242,933       | 231,393       |
| Mutual funds:                         |               |               |
| Fixed income - domestic               | 523,451       | 557,861       |
| Fixed income - international          | 39,238        | -             |
| Large cap - domestic                  | 183,113       | 206,358       |
| Large cap - international             | 62,623        | 68,474        |
| Mid cap - domestic                    | 22,852        | 26,704        |
| Small cap - domestic                  | 26,782        | 25,970        |
| Global equity                         | 16,746        | -             |
| Commodities                           | 12,174        | 27,577        |
| Real Estate Investment Trust          | 7,917         | -             |
|                                       | \$ 1,191,714  | \$ 1,205,755  |

The Foundation is the trustee for several charitable trusts in which it has remainder interests. The trusts provide payments, as defined, to named beneficiaries during the beneficiaries' lifetimes. Upon termination of the trusts, the trustee will distribute the remaining principal and income to the remainder designated by the trust agreements.

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

#### Note 3 – Investments, continued

The fair market value of investments is categorized as follows for the year ended June 30, 2012:

| Description                      | Level 1               | Level 2           | Level 3              | Total                 |
|----------------------------------|-----------------------|-------------------|----------------------|-----------------------|
| Money market funds               | \$ 40,646,657         | \$ -              | \$ -                 | \$ 40,646,657         |
| Equity securities:               |                       |                   |                      |                       |
| Large cap - domestic             | 1,755,682             | -                 | -                    | 1,755,682             |
| Large cap - international        | 312,069               | -                 | -                    | 312,069               |
| Mid cap - domestic               | 163,816               | -                 | -                    | 163,816               |
| Mid cap - international          | 9,177                 | -                 | -                    | 9,177                 |
| Fixed income:                    |                       |                   |                      |                       |
| Government bonds - domestic      | 11,469,657            | -                 | -                    | 11,469,657            |
| Government bonds - international | 1,374,397             | -                 | -                    | 1,374,397             |
| Corporate bonds - domestic       | 6,517,999             | -                 | -                    | 6,517,999             |
| Corporate bonds - international  | 157,016               | -                 | -                    | 157,016               |
| Mutual funds:                    |                       |                   |                      |                       |
| Fixed income - domestic          | 54,030,436            | -                 | -                    | 54,030,436            |
| Fixed income - international     | 15,915,003            | -                 | -                    | 15,915,003            |
| Large cap - domestic             | 23,883,012            | -                 | -                    | 23,883,012            |
| Large cap - international        | 14,493,119            | -                 | -                    | 14,493,119            |
| Mid cap - domestic               | 4,923,488             | -                 | -                    | 4,923,488             |
| Small cap - domestic             | 4,775,434             | 347,242           | -                    | 5,122,676             |
| Small cap - international        | 5,290,327             | -                 | -                    | 5,290,327             |
| Global equity                    | 39,374,700            | 364,997           | -                    | 39,739,697            |
| Real estate                      | 593,552               | -                 | -                    | 593,552               |
| Commodities                      | 6,679,340             | -                 | -                    | 6,679,340             |
| Annuity                          | 2,829,729             | -                 | -                    | 2,829,729             |
| Real Estate Investment Trust     | 7,917                 | -                 | 39,780               | 47,697                |
| Alternative investments:         |                       |                   |                      |                       |
| Private equity funds             | -                     | -                 | 2,119,529            | 2,119,529             |
| Special purpose vehicles         | -                     | -                 | 11,166               | 11,166                |
| Hedge fund of funds              | -                     | -                 | 10,821,260           | 10,821,260            |
|                                  | <u>\$ 235,202,527</u> | <u>\$ 712,239</u> | <u>\$ 12,991,735</u> | <u>\$ 248,906,501</u> |

Changes in the fair value of level 3 investments are as follows at June 30, 2012:

|                           | Real Estate<br>Investment<br>Trust | Private equity<br>funds | Special<br>purpose<br>vehicle | Hedge fund of<br>funds | Total                |
|---------------------------|------------------------------------|-------------------------|-------------------------------|------------------------|----------------------|
| Fair value, beginning     | \$ 119,740                         | \$ 2,050,466            | \$ 11,316                     | \$ 13,150,602          | \$ 15,332,124        |
| Purchases                 | 44,721                             | 95,019                  | -                             | -                      | 139,740              |
| Investment gains (losses) | (10,749)                           | 197,665                 | (150)                         | (251,906)              | (65,140)             |
| Capital distributions     | -                                  | (223,621)               | -                             | -                      | (223,621)            |
| Sales                     | (25,826)                           | -                       | -                             | (2,077,436)            | (2,103,262)          |
| Transfers to level 1      | (88,106)                           | -                       | -                             | -                      | (88,106)             |
| Fair value, ending        | <u>\$ 39,780</u>                   | <u>\$ 2,119,529</u>     | <u>\$ 11,166</u>              | <u>\$ 10,821,260</u>   | <u>\$ 12,991,735</u> |

There were transfers to level 1 assets because those assets have a readily determinable market value.

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

#### Note 3 – Investments, continued

The fair market value of investments is categorized as follows for the year ended June 30, 2011:

| Description                      | Level 1               | Level 2          | Level 3              | Total                 |
|----------------------------------|-----------------------|------------------|----------------------|-----------------------|
| Money market funds               | \$ 41,591,537         | \$ -             | \$ -                 | \$ 41,591,537         |
| Equity securities:               |                       |                  |                      |                       |
| Large cap - domestic             | 5,465,185             | -                | -                    | 5,465,185             |
| Large cap - international        | 1,542,163             | -                | -                    | 1,542,163             |
| Mid cap - domestic               | 1,203,377             | -                | -                    | 1,203,377             |
| Mid cap - international          | 90,337                | -                | -                    | 90,337                |
| Small cap - domestic             | 196,270               | -                | -                    | 196,270               |
| Fixed income:                    |                       |                  |                      |                       |
| Government bonds - domestic      | 13,821,361            | -                | -                    | 13,821,361            |
| Government bonds - international | 1,316,398             | -                | -                    | 1,316,398             |
| Corporate bonds - domestic       | 6,928,942             | -                | -                    | 6,928,942             |
| Corporate bonds - international  | 152,511               | -                | -                    | 152,511               |
| Certificates of Deposit          | 241,409               | -                | -                    | 241,409               |
| Mutual funds:                    |                       |                  |                      |                       |
| Fixed income - domestic          | 51,147,820            | -                | -                    | 51,147,820            |
| Fixed income - international     | 79,040                | 52,509           | -                    | 131,549               |
| Large cap - domestic             | 41,707,061            | -                | -                    | 41,707,061            |
| Large cap - international        | 42,870,097            | -                | -                    | 42,870,097            |
| Mid cap - domestic               | 277,921               | -                | -                    | 277,921               |
| Small cap - domestic             | 7,817,750             | -                | -                    | 7,817,750             |
| Small cap - international        | 1,028,472             | -                | -                    | 1,028,472             |
| Commodities                      | 6,365,762             | -                | -                    | 6,365,762             |
| Annuity                          | 3,230,380             | -                | -                    | 3,230,380             |
| Real Estate Investment Trust     | -                     | -                | 119,740              | 119,740               |
| Alternative investments:         |                       |                  |                      |                       |
| Private equity funds             | -                     | -                | 2,050,466            | 2,050,466             |
| Special purpose vehicles         | -                     | -                | 11,316               | 11,316                |
| Hedge fund of funds              | -                     | -                | 13,150,602           | 13,150,602            |
|                                  | <u>\$ 227,073,793</u> | <u>\$ 52,509</u> | <u>\$ 15,332,124</u> | <u>\$ 242,458,426</u> |

Changes in the fair value of level 3 investments are as follows at June 30, 2011:

|                       | Real Estate Investment Trust | Private equity funds | Special purpose vehicle | Hedge fund of funds  | Total                |
|-----------------------|------------------------------|----------------------|-------------------------|----------------------|----------------------|
| Fair value, beginning | \$ 152,420                   | \$ 1,806,151         | \$ 163,129              | \$ 10,289,499        | \$ 12,411,199        |
| Purchases             | 69,089                       | -                    | -                       | 2,000,000            | 2,069,089            |
| Investment gains      | 26,551                       | 244,315              | (339)                   | 1,029,482            | 1,300,009            |
| Sales                 | (128,320)                    | -                    | (151,474)               | (168,379)            | (448,173)            |
| Fair value, ending    | <u>\$ 119,740</u>            | <u>\$ 2,050,466</u>  | <u>\$ 11,316</u>        | <u>\$ 13,150,602</u> | <u>\$ 15,332,124</u> |

There were transfers from level 1 assets because there was a lack of observable market data for those assets.



## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

#### Note 3 – Investments, continued

Commitments and redemption schedule for those investments valued based on net asset values are as follows:

|                             | <u>Fair value at<br/>June 30, 2012</u> | <u>Unfunded<br/>commitments</u> | <u>Redemption<br/>frequency</u>                          | <u>Redemption<br/>notice period</u> |
|-----------------------------|--|---------------------------------|--|-------------------------------------|
| Mutual funds [a]            | \$ 712,239                             | none                            | monthly  | n/a                                 |
| Private equity funds [b]    | 240,243                                | none                            | quarterly  | 60 days                             |
| Private equity funds [b]    | 1,879,286                              | 130,258                         | not allowed  | n/a                                 |
| Special purpose vehicle [c] | 11,166                                 | none                            | not allowed<br>monthly,<br>quarterly,<br>annually, every | n/a                                 |
| Hedge fund of funds [d]     | 10,821,260                             | none                            | 3 years  | 15 - 90 days                        |

[a] Represents interest in a mutual fund with no active market. Fair value is determined based on quoted market prices which are valued on a daily or monthly basis.

[b] Investments in funds organized as limited partnerships which invest in diversified private equities.

[c] The special purpose vehicle employs various long/short strategies in stocks of small-cap companies.

[d] The hedge fund of funds employ a variety of strategies including absolute return, diversified arbitrage, investment in distress strategies, and various long/short strategies.

Commitments and redemption schedule for those investments valued based on net asset values are as follows:

|                             | <u>Fair value at<br/>June 30, 2011</u> | <u>Unfunded<br/>commitments</u> | <u>Redemption<br/>frequency</u>                   | <u>Redemption<br/>notice period</u> |
|-----------------------------|--|---------------------------------|---|-------------------------------------|
| Mutual funds [a]            | \$ 52,509                              | none                            | monthly   | n/a                                 |
| Private equity funds [b]    | 249,444                                | none                            | quarterly   | 60 days                             |
| Private equity funds [b]    | 1,801,022                              | 237,523                         | not allowed                                       | n/a                                 |
| Special purpose vehicle [c] | 11,316                                 | none                            | not allowed<br>monthly,<br>quarterly,<br>annually | n/a                                 |
| Hedge fund of funds [d]     | 13,150,602                             | none                            | annually  | 15 - 90 days                        |

[a] Represents interest in a mutual fund with no active market. Fair value is determined based on quoted market prices which are valued on a monthly basis.

[b] Investments in funds organized as limited partnerships which invest in diversified private equities.

[c] The special purpose vehicle employs various long/short strategies in stocks of small-cap companies.

[d] The hedge fund of funds employ a variety of strategies including absolute return, diversified arbitrage, investment in distress strategies, and various long/short strategies.

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

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#### Note 4 – Other Assets

Other assets consist of the following:

|   | <u>2012</u>         | <u>2011</u>         |
|---|---------------------|---------------------|
| Pledges receivable                                      | \$ 431,809          | \$ 598,076          |
| Notes receivable  | 1,152,411           | 1,584,229           |
| Other receivables                                       | 150,753             | 226,631             |
| Property and equipment, net of accumulated depreciation | <u>20,691</u>       | <u>54,142</u>       |
|   | <u>\$ 1,755,664</u> | <u>\$ 2,463,078</u> |

Pledges receivable consist of the following:

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Due in one year or less               | \$ 272,559        | \$ 335,342        |
| Due after one year through five years | <u>159,250</u>    | <u>262,734</u>    |
|                                       | <u>\$ 431,809</u> | <u>\$ 598,076</u> |

Pledges receivable due after one year have not been discounted because management believes the discount is insignificant.

At June 30, 2012, the Foundation had approximately \$1,150,000 of notes receivable outstanding from local Jewish organizations. The notes bear interest at a range of 0% to 1.2%, through March 2019. Two of the notes are secured with a deed of trust.

The note contains certain financial and non-financial covenants. Management is unaware of any violations of the covenants.

#### Note 5 – Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

|  | <u>2012</u>          | <u>2011</u>          |
|--|----------------------|----------------------|
| Donor Advised Fund charitable distributions        | \$ 78,037,287        | \$ 70,859,290        |
| Supporting Foundations charitable distributions    | 8,287,168            | 4,400,311            |
| Asset management fees                              | 1,305,482            | 1,058,387            |
| Restricted Endowment Fund charitable distributions | 1,070,372            | 784,190              |
| Other qualifying expenses                          | <u>242,662</u>       | <u>269,507</u>       |
|  | <u>\$ 88,942,971</u> | <u>\$ 77,371,685</u> |

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

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#### Note 6 – Administrative Fees

Administrative fees of up to 1.25% are allocated from donor accounts on an annual basis. Fees are used to fund the Foundation's operating budget. Allocations to the Operating Fund consist of the following:

|                           | <u>2012</u>         | <u>2011</u>         |
|---------------------------|---------------------|---------------------|
| Donor Advised Fund        | \$ 836,107          | \$ 773,317          |
| Supporting Foundations    | 394,498             | 387,995             |
| Custodial Fund            | 215,970             | 206,665             |
| Restricted Endowment Fund | 107,619             | 94,951              |
| Charitable Gift Annuities | <u>4,867</u>        | <u>5,164</u>        |
|                           | <u>\$ 1,559,061</u> | <u>\$ 1,468,092</u> |

#### Note 7 – Retirement Plans

The Foundation provides a Defined Contribution Plan and a 403(b) Thrift Plan (Plans), both of which are administered by Mutual of America. The Plans cover substantially all of the Foundation's full time employees. The Foundation makes contributions equal to 7% of compensation up to \$30,000 and an additional 4.3% of compensation in excess of \$30,000 to the Defined Contribution Plan. The Foundation also makes contributions to the 403(b) Thrift Plan for eligible employees equal to the lesser of 50% of the participants' contributions during the plan year or 1.5% of the participants' eligible compensation.

Retirement plan expense was \$137,593 and \$103,557 for the years ended June 30, 2012 and 2011, respectively.

#### Note 8 – Endowments

The Foundation's endowment consists of 37 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, unless approved by the Board of Directors with full consideration of the seven guidelines identified below. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner that is consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

## JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

### Notes to Consolidated Financial Statements

Years Ended June 30, 2012 and 2011

#### Note 8 – Endowments, continued

At June 30, 2012, the endowment net assets composition by type of fund consisted of the following:

|                                  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>         |
|----------------------------------|---------------------|-----------------------------------|-----------------------------------|----------------------|
| Donor-restricted endowment funds | \$ (139,740)        | \$ 518,422                        | \$ 11,659,571                     | \$ 12,038,253        |
| Board-designated endowment funds | <u>5,700,825</u>    | <u>-</u>                          | <u>-</u>                          | <u>5,700,825</u>     |
| Total endowment funds            | <u>\$ 5,561,085</u> | <u>\$ 518,422</u>                 | <u>\$ 11,659,571</u>              | <u>\$ 17,739,078</u> |

At June 30, 2011, the endowment net assets composition by type of fund consisted of the following:

|                                  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>         |
|----------------------------------|---------------------|-----------------------------------|-----------------------------------|----------------------|
| Donor-restricted endowment funds | \$ (6,836)          | \$ 1,030,008                      | \$ 10,607,870                     | \$ 11,631,042        |
| Board-designated endowment funds | <u>5,990,745</u>    | <u>-</u>                          | <u>-</u>                          | <u>5,990,745</u>     |
| Total endowment funds            | <u>\$ 5,983,909</u> | <u>\$ 1,030,008</u>               | <u>\$ 10,607,870</u>              | <u>\$ 17,621,787</u> |

Changes in endowment net assets for the year ended June 30, 2012, consisted of the following:

|                                    | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>         |
|------------------------------------|---------------------|-----------------------------------|-----------------------------------|----------------------|
| Endowment net assets,<br>beginning | \$ 5,983,909        | \$ 1,030,008                      | \$ 10,607,870                     | \$ 17,621,787        |
| Change in endowment net assets:    |                     |                                   |                                   |                      |
| Philanthropic activity             | (276,047)           | (301,612)                         | 1,051,701                         | 474,042              |
| Investment activity                | (120,429)           | (149,723)                         | -                                 | (270,152)            |
| Operating activity                 | <u>(26,348)</u>     | <u>(60,251)</u>                   | <u>-</u>                          | <u>(86,599)</u>      |
|                                    | <u>(422,824)</u>    | <u>(511,586)</u>                  | <u>1,051,701</u>                  | <u>117,291</u>       |
| Endowment net assets,<br>ending    | <u>\$ 5,561,085</u> | <u>\$ 518,422</u>                 | <u>\$ 11,659,571</u>              | <u>\$ 17,739,078</u> |

Changes in endowment net assets for the year ended June 30, 2011, consisted of the following:

|                                    | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>         |
|------------------------------------|---------------------|-----------------------------------|-----------------------------------|----------------------|
| Endowment net assets,<br>beginning | \$ 4,929,557        | \$ 172,457                        | \$ 5,394,457                      | \$ 10,496,471        |
| Change in endowment net assets:    |                     |                                   |                                   |                      |
| Philanthropic activity             | (469,358)           | (15,745)                          | 5,213,413                         | 4,728,310            |
| Investment activity                | 1,553,396           | 909,054                           | -                                 | 2,462,450            |
| Operating activity                 | <u>(29,686)</u>     | <u>(35,758)</u>                   | <u>-</u>                          | <u>(65,444)</u>      |
|                                    | <u>1,054,352</u>    | <u>857,551</u>                    | <u>5,213,413</u>                  | <u>7,125,316</u>     |
| Endowment net assets,<br>ending    | <u>\$ 5,983,909</u> | <u>\$ 1,030,008</u>               | <u>\$ 10,607,870</u>              | <u>\$ 17,621,787</u> |

## **JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**

### **Notes to Consolidated Financial Statements**

Years Ended June 30, 2012 and 2011

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#### **Note 8 – Endowments, continued**

##### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature, which are reported in unrestricted net assets, were \$136,938 and \$6,836 as of June 30, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations.

##### Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide funding for the operating expenses of programs supported by its endowments and increase the value of the original contributed capital by an amount not less than the annual increase in the Consumer Price Index (CPI). In order to meet this objective, the permanently restricted endowment asset portfolio is structured to achieve a compounded annual return, net of investment management expenses, of 5% plus the annual rate of inflation (Target Return) over ten years.

##### Investment Strategy

The investment strategy of the Foundation is to combine both the preservation of principal and appropriate risk-taking. The Foundation recognizes that risk (the uncertainty of future events), volatility (the potential for variability of asset values), and the potential of loss in purchasing power (due to inflation) are present to some degree with all types of investment vehicles. The assumption of risk consistent with investment objectives is warranted and encouraged in order to allow the Foundation and its investment managers the opportunity to achieve satisfactory results consistent with the objectives and the fiduciary character of the Foundation over a full market cycle.

##### Spending Policy

The Foundation has a policy of appropriating for distribution each year an amount equal to 5% of the fair value as of the end of the prior year of the assets associated with the endowments. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at the average annual rate of inflation over ten years. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

#### **Note 9 – Reclassifications**

Certain items in the 2011 consolidated financial statements have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported changes in net assets.

## **SUPPLEMENTAL INFORMATION**

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**  
**Schedule of Consolidated Charitable Distributions to Organizations**  
Year Ended June 30, 2012

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**Organizations Serving Jewish Purposes Within San Diego:**

|   |              |
|---|--------------|
| Jewish Federation of San Diego County                             | \$ 3,087,434 |
| Jewish Family Service of San Diego                                | 2,242,540    |
| Lawrence Family Jewish Community Center JACOB                     | 1,802,849    |
| Congregation Beth Israel  | 1,258,164    |
| Congregation Beth El  | 834,957      |
| Seacrest Village Retirement Communities                           | 748,989      |
| San Diego Jewish Academy  | 307,284      |
| Hillel of San Diego   | 236,595      |
| Camp Mountain Chai  | 232,653      |
| Chabad of La Costa  | 228,800      |
| Soille San Diego Hebrew Day School                                | 143,425      |
| Jewish Women's Foundation Fund of the Jewish Community Foundation | 138,250      |
| Temple Emanu-El   | 129,659      |
| Friends of Chabad Lubavitch San Diego                             | 101,500      |
| San Diego Community Mikvah and Education Center                   | 87,736       |
| Tifereth Israel Synagogue   | 65,150       |
| Southern California Yeshiva High School                           | 64,730       |
| Chabad of San Diego   | 64,495       |
| Congregation Beth Am  | 53,731       |
| Anti-Defamation League  | 52,850       |
| Israel Emergency Alliance   | 50,810       |
| Hope Village San Diego  | 46,920       |
| San Diego Torah High School                                       | 43,602       |
| Temple Adat Shalom  | 40,348       |
| Temple Solel of North San Diego County                            | 38,996       |
| Congregation Adat Yeshurun  | 35,892       |
| House of Israel   | 32,525       |
| Ken Jewish Community  | 25,940       |
| Ohr Shalom Synagogue  | 24,948       |
| On the Go Fund of the Jewish Community Foundation                 | 24,000       |
| Hadassah - San Diego Main   | 17,080       |
| Ashreinu Corporation  | 15,480       |
| Israel Emergency Alliance (StandWithUs)                           | 14,180       |
| Temple Beth Sholom  | 13,560       |
| Chabad of San Diego - Preschool                                   | 12,540       |
| Beth Jacob Congregation   | 12,158       |
| Chabad Day School   | 11,670       |
| Friendship Circle of San Diego                                    | 11,410       |
| Chabad of the College Area  | 9,360        |
| Elijah Minyan   | 6,400        |
| Culture of Peace  | 6,300        |
| Chabad of Downtown San Diego                                      | 5,040        |
| Other Organizations Under \$5,000                                 | 27,138       |
| Total   | 12,408,088   |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2012

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**Organizations Serving Jewish Purposes Outside of San Diego:**

|  |           |
|--|-----------|
| American Society for Technion  | 3,512,000 |
| American Jewish Joint Distribution Committee                             | 582,488   |
| Jewish Community Centers Assoc. of North America                         | 464,000   |
| Simon Wiesenthal Center  | 253,030   |
| Jerusalem Foundation   | 139,236   |
| Institute for Jewish and Community Research                              | 125,000   |
| Schechter Institute of Jewish Studies Inc.                               | 100,000   |
| Tikvot For Rehabilitation Through Sport                                  | 100,000   |
| American Committee for Tel Aviv Foundation, Inc.                         | 91,280    |
| New Israel Fund  | 90,500    |
| American Pardes Foundation Inc.  | 87,900    |
| American Friends of the Association for the Adv of Com Centers in Israel | 80,000    |
| P.E.F. Israel Endowment Funds  | 77,500    |
| Friends of the Israel Defense Forces                                     | 75,080    |
| American Israel Education Foundation                                     | 75,000    |
| Fondazione Centro di Documentazione Ebraica Contemporanea CDEC On        | 67,734    |
| American Society for Technion-Israel Institute                           | 61,485    |
| Kehilat Romemu   | 58,100    |
| America Israel Cultural Foundation                                       | 55,950    |
| American Friends of Tel Aviv University                                  | 50,500    |
| American Friends of IDC  | 50,000    |
| Centro Primo Levi  | 50,000    |
| Iyyun Inc.   | 50,000    |
| American Jewish World Service  | 44,097    |
| Jewish Federation of Metropolitan Chicago                                | 40,000    |
| Jewish National Fund   | 35,300    |
| Foundation for Jewish Culture  | 32,250    |
| J Street Education Fund, Inc.  | 31,800    |
| Israel Children's Centers Inc.   | 28,410    |
| United Synagogue of Conservative Judaism                                 | 25,200    |
| Shalem Foundation  | 25,000    |
| Congregation Har HaShem  | 24,400    |
| Calabasas Shul   | 21,800    |
| Beit Avraham   | 20,000    |
| Yeshiva Gedolah of Los Angeles   | 17,500    |
| MasterTorah  | 16,000    |
| World Union for Progressive Judaism LTD                                  | 15,500    |
| American Friends of Yeshivas Bircas Hatorah, Inc.                        | 15,000    |
| Jewish Federation of Palm Springs and Desert                             | 15,000    |
| Jewish Federation of Portland  | 14,800    |
| American Jewish Committee  | 14,300    |
| Congregation Shir Hadash   | 13,050    |
| Institute for Jewish Spirituality  | 12,760    |
| Machon Maayan  | 12,500    |
| Union for Reform Judaism   | 11,075    |
| American Jewish University   | 10,500    |
| Bnai Brith Henry Monsky Foundation                                       | 10,500    |
| Gimmel Foundation  | 10,360    |



**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**

Year Ended June 30, 2012

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|   |                 |
|---|-----------------|
| Friends of Mayanot Institute Inc.                         | 10,000          |
| Fund For Israels Tomorrow                                 | 10,000          |
| Heritage Pointe   | 10,000          |
| Jewish Lens Inc.  | 10,000          |
| Repair the World  | 10,000          |
| UCLA Hillel   | 10,000          |
| University of Michigan Hillel                             | 10,000          |
| U.S. Holocaust Memorial Museum                            | 8,900           |
| Mazon Inc. A Jewish Response to Hunger                    | 8,876           |
| Holocaust Education Center in the Desert Inc.             | 8,650           |
| American Friends of Magen David Adom                      | 7,632           |
| Congregation Sherith Israel                               | 7,400           |
| Yeshivath Torath Emeth Academy                            | 7,000           |
| World Jewish Congress Foundation                          | 6,800           |
| Yeshiva University of Los Angeles High School             | 6,600           |
| Congregation Ner Tamid                                    | 6,500           |
| Jewish Theological Seminary of America                    | 6,100           |
| Birthright Israel Foundation                              | 6,030           |
| Jewish Federation Council of Greater Los Angeles          | 6,000           |
| Roitman Chabad Center at Cornell University               | 6,000           |
| Rabbinical Organization - Chabad Lubavitch                | 5,700           |
| Religious Action Center of Reform Judaism                 | 5,500           |
| Institute for the Advancement of Education in Jaffa, Inc. | 5,360           |
| Temple of the Arts  | 5,300           |
| Peninsula Temple Beth El                                  | 5,180           |
| Adat Yeshurun Valley Sephardic Congregation               | 5,000           |
| Bais Menachem - Youth Development Program                 | 5,000           |
| Hillel Foundation of New Orleans                          | 5,000           |
| Jewish Family Service of Los Angeles                      | 5,000           |
| Mesivta Yeshiva Rabbi Chaim Berlin                        | 5,000           |
| Tucson Jewish Community Center, Inc.                      | 5,000           |
| Other Organizations Under \$5,000                         | 194,688         |
| Total   | <hr/> 7,228,101 |

**Other Organizations Primarily Serving the County of San Diego:**

|  |            |
|--|------------|
| UCSD Foundation                                      | 14,219,325 |
| Salk Institute for Biological Studies                | 11,003,187 |
| High Tech High Foundation                            | 5,746,000  |
| San Diego Symphony                                   | 5,425,350  |
| Plaza de Panama Committee                            | 4,127,000  |
| American Civil Liberties Union Foundation            | 2,007,500  |
| La Jolla Playhouse                                   | 1,833,060  |
| KPBS TV & Radio - San Diego State University         | 1,674,195  |
| San Diego Opera Association                          | 1,619,815  |
| Sanford-Burnham Medical Research Institute           | 1,027,925  |
| Regents of The University of California at San Diego | 767,885    |
| Senior Community Center                              | 659,450    |
| Nature and Culture International                     | 550,000    |
| University of San Diego                              | 451,400    |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2012

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|  |         |
|--|---------|
| San Diego Public Library Foundation              | 446,050 |
| Campanile Foundation                             | 395,190 |
| Museum of Contemporary Art San Diego             | 334,632 |
| Reuben H. Fleet Space Theater and Science Center | 217,230 |
| La Jolla Music Society                           | 213,950 |
| Scripps Health Foundation                        | 207,700 |
| San Diego Museum of Art                          | 207,485 |
| Educational Enrichment Systems Inc.              | 174,875 |
| Challenged Athletes Foundation                   | 174,335 |
| San Diego Repertory Theatre                      | 151,680 |
| Voice of San Diego                               | 150,300 |
| Planned Parenthood of the Pacific Southwest      | 149,855 |
| Old Globe Theatre                                | 147,896 |
| Rady Childrens Hospital & Health                 | 136,950 |
| Museum of Photographic Arts                      | 118,400 |
| La Jolla Country Day School                      | 105,803 |
| National Veterans Transition Services            | 100,000 |
| San Diego Hospice Foundation                     | 94,600  |
| Bishop's School                                  | 84,167  |
| Monarch Basketball Club                          | 72,949  |
| Training and Education About the Middle East     | 68,920  |
| San Diego Food Bank Corporation                  | 63,100  |
| Helen Woodward Animal Center                     | 61,523  |
| Monarch High School Project                      | 58,980  |
| Matthew and Iris Strauss Family Foundation, Inc. | 56,250  |
| Mainly Mozart Festival                           | 56,000  |
| City Club of San Diego                           | 52,000  |
| La Jolla Historical Society                      | 50,000  |
| United Way/Chad of San Diego County              | 47,500  |
| Francis W. Parker School                         | 47,200  |
| Scripps Research Institute                       | 46,400  |
| Vista Hill Foundation                            | 38,085  |
| National Conflict Resolution Center              | 37,430  |
| San Diego Foundation                             | 36,430  |
| San Diego High School Foundation                 | 34,500  |
| Cygnets Theatre Company                          | 34,250  |
| Las Patronas                                     | 34,000  |
| Community Resource Center of Encinitas           | 31,838  |
| Mercy Hospital Foundation                        | 31,600  |
| Intelliversity                                   | 31,000  |
| High Tech High Graduate School of Education      | 30,087  |
| Big Brothers Big Sisters of San Diego County     | 29,000  |
| Voices for Children                              | 28,460  |
| A Reason to Survive                              | 28,075  |
| Alzheimer's Association                          | 27,000  |
| Malashock Dance & Company                        | 25,975  |
| The Angels Foster Family Agency                  | 25,300  |
| Timken Museum of Art                             | 25,250  |
| Elementary Institute of Science                  | 25,000  |
| Kyoto Symposium Organization                     | 25,000  |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2012

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|   |        |
|---|--------|
| The Aja Project   | 25,000 |
| Interfaith Community Services                                   | 23,950 |
| Zoological Society of San Diego                                 | 23,548 |
| Library Association of La Jolla - Athenaeum                     | 23,315 |
| American Cancer Society   | 22,400 |
| San Diego State University Research Foundation                  | 22,192 |
| San Diego Hall of Champions                                     | 22,000 |
| CONNECT Foundation  | 21,300 |
| United Through Reading  | 21,100 |
| Youth Tennis San Diego Outreach                                 | 20,900 |
| Bayside Community Center  | 20,000 |
| Pacific Ridge School  | 20,000 |
| YMCA of San Diego County  | 20,000 |
| Rolf Benirschke Legacy Foundation                               | 19,863 |
| San Diego Unified School District                               | 19,087 |
| Sharp Healthcare Foundation                                     | 18,275 |
| Community HousingWorks  | 17,500 |
| Second Chance   | 16,535 |
| Friends of Aviara Middle and Elementary School                  | 15,000 |
| Palomar College Foundation                                      | 15,000 |
| Greater San Diego City Tennis Council                           | 13,250 |
| USO   | 12,975 |
| The Childs Primary School                                       | 12,910 |
| Ion Theater   | 12,780 |
| Jenna Druck Foundation  | 12,500 |
| Westminster Presbyterian Church                                 | 12,000 |
| Cystic Fibrosis Foundation                                      | 10,985 |
| San Diego Botanical-Garden Foundation Inc.                      | 10,700 |
| San Diego Center for Children                                   | 10,685 |
| Computers 2 SD Kids   | 10,500 |
| Culture Shock Dance Troup Inc.                                  | 10,500 |
| San Diego Museum of Man   | 10,500 |
| USS Midway Museum   | 10,175 |
| Center for Neurologic Study                                     | 10,000 |
| Home Start  | 10,000 |
| Maritime Museum Association of San Diego                        | 10,000 |
| NTC Foundation  | 10,000 |
| San Diego Fire Fighters Community Responsibility Fund Local 145 | 10,000 |
| Wisconsin Evangelical Lutheran Synod                            | 10,000 |
| Meals on Wheels   | 9,240  |
| Alpha Project for the Homeless                                  | 8,850  |
| Lamb's Players Theatre  | 8,600  |
| Junior Achievement of San Diego                                 | 8,500  |
| Whispering Winds Catholic Conference Center                     | 8,400  |
| Words Alive   | 8,267  |
| ArtsBusXpress   | 7,500  |
| North County Community Services                                 | 7,500  |
| American Red Cross  | 7,100  |
| MINGEI, International   | 7,068  |
| San Diego Foundation For Change                                 | 6,900  |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**

Year Ended June 30, 2012

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|   |                   |
|---|-------------------|
| City Ballet Inc.  | 6,700             |
| Kids Included Together-San Diego                        | 6,550             |
| San Diego Hospice and the Institute for Palliative Care | 6,500             |
| National Multiple Sclerosis Society                     | 6,350             |
| The New Children's Museum of San Diego                  | 6,100             |
| Burn Institute  | 6,000             |
| Grossmont Hospital Foundation                           | 6,000             |
| Point Loma Community Presbyterian Church                | 6,000             |
| Child Abuse Prevention Foundation                       | 5,950             |
| Casa de Amparo  | 5,850             |
| Equality Alliance of San Diego County                   | 5,250             |
| Playwrights Project                                     | 5,250             |
| South Bay Community Services                            | 5,250             |
| Friends of the Riford Center                            | 5,100             |
| Bobby Jo Lewis Foundation                               | 5,000             |
| Charley Hoffman Foundation                              | 5,000             |
| Copley Family YMCA                                      | 5,000             |
| Embrace   | 5,000             |
| Environmental Health Coalition                          | 5,000             |
| La Jolla High School Foundation                         | 5,000             |
| San Diego Art Institute                                 | 5,000             |
| San Diego Human Dignity Foundation                      | 5,000             |
| San Diego Social Venture Partners Inc.                  | 5,000             |
| Special Delivery San Diego                              | 5,000             |
| Other Organizations Under \$5,000                       | 245,445           |
| Total   | <u>57,065,937</u> |

**Other Organizations Outside the County of San Diego:**

|   |           |
|---|-----------|
| Adenoid Cystic Carcinoma Research Foundation                      | 1,600,000 |
| UCSF Foundation   | 1,517,000 |
| Massachusetts Institute of Technology                             | 1,151,200 |
| Cornell University  | 1,010,000 |
| Community Foundation of Southeastern Massachusetts                | 555,500   |
| Human Rights Watch  | 510,000   |
| Napa Valley Wine Auction  | 430,000   |
| Cedars-Sinai Medical Center                                       | 247,667   |
| Media Matters for America   | 200,000   |
| ProPublica  | 200,000   |
| Heifer Project International                                      | 179,990   |
| Third Way Institute   | 150,000   |
| National Multiple Sclerosis Society                               | 110,166   |
| Citizens for Responsibility and Ethics in Washington D.C.         | 100,000   |
| Clinton Global Initiative   | 100,000   |
| Fredonia College Foundation of State University of New York, Inc. | 100,000   |
| University of Miami   | 100,000   |
| Installation Gallery  | 85,000    |
| Lang Lang International Music Foundation                          | 80,000    |
| California Charter Schools Consortium                             | 75,000    |
| Community Computer Connection Inc.                                | 75,000    |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2012

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|  |        |
|--|--------|
| University of Southern California                | 60,475 |
| Cystic Fibrosis Foundation                       | 54,050 |
| Committee For Charlotte 2012                     | 50,000 |
| Drug Policy Alliance                             | 50,000 |
| New American School                              | 50,000 |
| Room to Read                                     | 50,000 |
| UC Davis Foundation                              | 50,000 |
| Orcas Island Community Foundation                | 48,000 |
| Southern Poverty Law Center                      | 42,680 |
| New Visions Foundation                           | 37,500 |
| Tree House Books                                 | 36,500 |
| Central Fund For Israel                          | 31,600 |
| UCLA Law School Foundation                       | 30,000 |
| Tiger Woods Charity Event Corp.                  | 25,648 |
| Los Angeles Philharmonic Association             | 25,300 |
| Bergamo Italy Classical Lyceum                   | 25,000 |
| Chicago Council on Global Affairs                | 25,000 |
| Commonweal                                       | 25,000 |
| Guanacaste Dry Forest Conservation Fund          | 25,000 |
| Harvard University                               | 25,000 |
| Pacific Council on International Policy          | 25,000 |
| Peaceworks Network Foundation                    | 25,000 |
| University of Colorado Foundation, Inc.          | 25,000 |
| Clark County School District                     | 24,999 |
| Denton County Cowboy Church                      | 24,500 |
| Colgate University                               | 23,000 |
| National Transplant Assistance Fund              | 22,050 |
| UC Berkeley Foundation                           | 21,750 |
| American Civil Liberties Union Foundation        | 20,100 |
| Boston Latin School Association                  | 20,000 |
| Digital Promise                                  | 20,000 |
| Operation Respect                                | 16,900 |
| Methodist Hospital Foundation                    | 15,391 |
| Charitable Ventures of Orange County Inc.        | 15,001 |
| American Academy of Arts & Sciences              | 15,000 |
| Community Foundation                             | 15,000 |
| Human Development and Children Foundation        | 15,000 |
| Institute for the Analysis of Global Security    | 15,000 |
| Tiyatien Health                                  | 15,000 |
| Cooperative for Assistance and Relief Everywhere | 12,750 |
| New America Foundation                           | 12,500 |
| Villa Esperanza Services                         | 12,500 |
| Museum of Contemporary Art                       | 12,360 |
| Clark University                                 | 12,000 |
| Speakeasy Media Foundation                       | 12,000 |
| New York University                              | 11,410 |
| Learning With A Difference Inc.                  | 11,000 |
| International Humanity Foundation                | 10,444 |
| Trustees of the University of Pennsylvania       | 10,350 |
| National Public Radio Inc.                       | 10,200 |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2012

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|   |        |
|---|--------|
| Brady Center to Prevent Gun Violence                                | 10,100 |
| Arab American Family Services                                       | 10,000 |
| Campbell Hall -episcopal-   | 10,000 |
| Clarion Fund  | 10,000 |
| Computer History Museum   | 10,000 |
| Levine School of Music  | 10,000 |
| Library Foundation of Los Angeles                                   | 10,000 |
| Media Line Ltd.   | 10,000 |
| Museum of Latin American Art  | 10,000 |
| Nami Weberogen Affiliate  | 10,000 |
| National Academy of Sciences  | 10,000 |
| Perlman Music Program Inc.  | 10,000 |
| President-Board of Trustees Santa Clara College                     | 10,000 |
| Ramapo For Children   | 10,000 |
| Reptile and Amphibian Ecology International                         | 10,000 |
| Responsibility Inc.   | 10,000 |
| Sea Research Foundation   | 10,000 |
| St. Gregory Armenian Apostolic Church                               | 10,000 |
| Turbodog Spirit Center  | 10,000 |
| Washington Institute for Near East Policy                           | 10,000 |
| Wolfsonian Inc.   | 10,000 |
| Women Give San Diego  | 10,000 |
| American Diabetes Association                                       | 9,400  |
| International Rescue Committee                                      | 9,250  |
| California State University Foundation                              | 9,000  |
| Guglielmo Marconi International Fellowship Foundation               | 9,000  |
| Womens Foundation of California                                     | 8,550  |
| United States Ski Team Foundation                                   | 8,500  |
| Evanston Community Foundation                                       | 8,000  |
| Laurence School   | 8,000  |
| Neighborhood Bike Works   | 7,830  |
| Prevent Human Trafficking   | 7,500  |
| UCLA Foundation   | 7,050  |
| Pershing Middle School Foundation                                   | 7,000  |
| Regents of the University of California at Berkeley                 | 6,800  |
| Charity Global, Inc.  | 6,750  |
| Indiana University Foundation                                       | 6,200  |
| YMCA of Southeast Ventura County                                    | 6,000  |
| Doctors Without Borders USA INC                                     | 5,560  |
| Juvenile Diabetes Research Foundation                               | 5,450  |
| Child Abuse Prevention Center                                       | 5,260  |
| Community Lifeline Center Inc.                                      | 5,260  |
| Kid Net Foundation  | 5,260  |
| North Texas Food Bank   | 5,260  |
| Cancer Research Fund of the Damon Runyon-Walter Winchell Foundation | 5,200  |
| Colorado Seminary   | 5,200  |
| American Friends of Israel Democracy Institute                      | 5,000  |
| California Food Policy Advocates Inc.                               | 5,000  |
| Camp Sunshine   | 5,000  |
| Children of the Night   | 5,000  |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO****Schedule of Consolidated Charitable Distributions to Organizations, continued**

Year Ended June 30, 2012

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|   |                      |
|---|----------------------|
| Disabled Sports Eastern Sierra                | 5,000                |
| Hope for Heather Foundation                   | 5,000                |
| Hunger Action Los Angeles                     | 5,000                |
| Israel Heart Fund Inc.                        | 5,000                |
| Lehigh University                             | 5,000                |
| Live Oak A Learning Center For Children       | 5,000                |
| Los Angeles Free Clinic                       | 5,000                |
| Marine Corps-Law Enforcement Foundation, Inc. | 5,000                |
| MD Anderson Cancer Center                     | 5,000                |
| Memorial Health System Foundation             | 5,000                |
| Miami Dade College Foundation Inc.            | 5,000                |
| National Academy of Engineering               | 5,000                |
| National Association for Civilian Oversight o | 5,000                |
| National Psoriasis Foundation                 | 5,000                |
| Nevada Community Foundation                   | 5,000                |
| Otterbein College                             | 5,000                |
| Pepperdine University                         | 5,000                |
| San Fernando Valley Interfaith Council Inc.   | 5,000                |
| Scripps Clinic                                | 5,000                |
| Startup Weekend                               | 5,000                |
| Tectonic Theater Project Inc.                 | 5,000                |
| University of Nevada Las Vegas Foundation     | 5,000                |
| World Vision International                    | 5,000                |
| Other Organizations Under \$5,000             | 327,640              |
| Total   | <u>10,694,501</u>    |
| Total Distributions                           | <u>\$ 87,396,627</u> |

**JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**  
**Schedule of Consolidated Operating Expenses Within the Operating Fund**  
Years Ended June 30, 2012 and 2011

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|  | <u>2012</u>                    | <u>2011</u>                    |
|--|--------------------------------|--------------------------------|
| Salaries and employee benefits         | \$ 2,075,105                   | \$ 1,668,299                   |
| Information technology                 | 274,333                        | 177,528                        |
| Events                                 | 86,820                         | 88,637                         |
| Legal                                  | 76,633                         | 61,989                         |
| Office                                 | 76,005                         | 97,899                         |
| Occupancy                              | 72,662                         | 58,691                         |
| Advertising and promotion              | 68,347                         | 54,338                         |
| Accounting                             | 62,900                         | 127,162                        |
| Other                                  | 56,631                         | 43,463                         |
| Consulting                             | 54,221                         | 41,202                         |
| Taxes                                  | 51,889                         | 17,704                         |
| Depreciation                           | 33,451                         | 33,451                         |
| Insurance                              | 22,495                         | 30,581                         |
| Donor recognition                      | 19,395                         | 11,582                         |
| Travel                                 | 18,887                         | 13,527                         |
| Conferences, conventions, and meetings | <u>18,167</u>                  | <u>30,011</u>                  |
| <br>Total Operating Expenses           | <br>\$ <u><u>3,067,941</u></u> | <br>\$ <u><u>2,556,064</u></u> |