

Jewish Community Foundation of San Diego

Consolidated Financial Statements and Supplemental
Information

Years Ended June 30, 2017 and 2016



JEWISH COMMUNITY FOUNDATION OF SAN DIEGO
Consolidated Financial Statements and Supplemental Information
Years Ended June 30, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee
of Jewish Community Foundation of San Diego

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Jewish Community Foundation of San Diego (Organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 29 - 41 is presented for purposes 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.

Aldrich CPAs + Advisors LLP

San Diego, California
December 20, 2017

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

June 30, 2017

	Operating Fund	Foundation Funds	Donor Advised Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 584,251	\$ -	\$ 1,240,954
Investments with management companies and debt instruments	518,204	13,092,221	164,069,753
Cash surrender value of insurance policies	-	765,699	-
Other assets	165,298	-	223,569
Interfund transfers	<u>(57,807)</u>	<u>72,962</u>	<u>-</u>
Total Assets	<u>\$ 1,209,946</u>	<u>\$ 13,930,882</u>	<u>\$ 165,534,276</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Assets held for others	\$ -	\$ -	\$ -
Beneficial interests	-	-	-
Accounts payable	152,713	-	-
Grants payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>152,713</u>	<u>-</u>	<u>-</u>
Net Assets:			
Unrestricted	1,057,233	12,098,965	165,534,276
Temporarily restricted	-	175,046	-
Permanently restricted	<u>-</u>	<u>1,656,871</u>	<u>-</u>
Total Net Assets	<u>1,057,233</u>	<u>13,930,882</u>	<u>165,534,276</u>
Total Liabilities and Net Assets	<u>\$ 1,209,946</u>	<u>\$ 13,930,882</u>	<u>\$ 165,534,276</u>

See accompanying notes to consolidated financial statements.

<u>Supporting Foundations</u>	<u>Restricted Funds</u>	<u>Endowment Funds</u>	<u>Custodial Funds</u>	<u>Charitable Trusts and Gift Annuities</u>	<u>Total</u>
\$ 14,681	\$ 29,066	\$ -	\$ 431,864	\$ -	\$ 2,300,816
34,650,792	7,712,485	21,895,435	81,658,961	1,035,760	324,633,611
-	-	-	-	-	765,699
5,486,315	206,973	-	23,899	-	6,106,054
<u>3,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,705)</u>	<u>-</u>
<u>\$ 40,155,338</u>	<u>\$ 7,948,524</u>	<u>\$ 21,895,435</u>	<u>\$ 82,114,724</u>	<u>\$ 1,017,055</u>	<u>\$ 333,806,180</u>
\$ 17,136,770	\$ 108,358	\$ 1,146,551	\$ 82,069,596	\$ 394,993	\$ 100,856,268
-	-	5,030,800	-	-	5,030,800
15,893	-	-	45,128	622,062	835,796
<u>160,000</u>	<u>960,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,120,000</u>
<u>17,312,663</u>	<u>1,068,358</u>	<u>6,177,351</u>	<u>82,114,724</u>	<u>1,017,055</u>	<u>107,842,864</u>
-	-	(245,983)	-	-	178,444,491
22,842,675	6,880,166	1,336,446	-	-	31,234,333
<u>-</u>	<u>-</u>	<u>14,627,621</u>	<u>-</u>	<u>-</u>	<u>16,284,492</u>
<u>22,842,675</u>	<u>6,880,166</u>	<u>15,718,084</u>	<u>-</u>	<u>-</u>	<u>225,963,316</u>
<u>\$ 40,155,338</u>	<u>\$ 7,948,524</u>	<u>\$ 21,895,435</u>	<u>\$ 82,114,724</u>	<u>\$ 1,017,055</u>	<u>\$ 333,806,180</u>

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

June 30, 2016

	Operating Fund	Foundation Funds	Donor Advised Funds
ASSETS			
Cash	\$ 227,805	\$ -	\$ 3,303,164
Investments with management companies and debt instruments	1,260,284	10,698,460	118,095,608
Cash surrender value of insurance policies	-	757,360	-
Other assets	143,588	-	594,702
Interfund transfers	(31,673)	97,282	135,000
Total Assets	<u>\$ 1,600,004</u>	<u>\$ 11,553,102</u>	<u>\$ 122,128,474</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Assets held for others	\$ -	\$ -	\$ -
Beneficial interests	-	-	-
Accounts payable	200,096	-	-
Grants payable	-	-	-
Total Liabilities	<u>200,096</u>	<u>-</u>	<u>-</u>
Net Assets:			
Unrestricted	1,399,908	10,334,078	122,128,474
Temporarily restricted	-	72,722	-
Permanently restricted	-	1,146,302	-
Total Net Assets	<u>1,399,908</u>	<u>11,553,102</u>	<u>122,128,474</u>
Total Liabilities and Net Assets	<u>\$ 1,600,004</u>	<u>\$ 11,553,102</u>	<u>\$ 122,128,474</u>

See accompanying notes to consolidated financial statements.

Supporting Foundations	Restricted Funds	Endowment Funds	Custodial Funds	Charitable Trusts and Gift Annuities	Total
\$ 17,429	\$ 4,358	\$ -	\$ 243,545	\$ -	\$ 3,796,301
29,229,754	10,331,277	19,938,327	79,241,026	897,878	269,692,614
-	-	-	-	-	757,360
2,952,883	178,973	-	23,901	-	3,894,047
<u>(32,333)</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>(18,276)</u>	<u>-</u>
<u>\$ 32,167,733</u>	<u>\$ 10,514,608</u>	<u>\$ 19,788,327</u>	<u>\$ 79,508,472</u>	<u>\$ 879,602</u>	<u>\$ 278,140,322</u>
\$ 9,484,498	\$ 108,566	\$ 1,088,743	\$ 79,503,219	\$ 318,531	\$ 90,503,557
-	-	2,103,107	-	-	2,103,107
21,023	-	-	5,253	561,071	787,443
<u>2,193,198</u>	<u>1,690,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,883,198</u>
<u>11,698,719</u>	<u>1,798,566</u>	<u>3,191,850</u>	<u>79,508,472</u>	<u>879,602</u>	<u>97,277,305</u>
-	-	(2,703,935)	-	-	131,158,525
20,469,014	8,716,042	696,590	-	-	29,954,368
-	-	18,603,822	-	-	19,750,124
<u>20,469,014</u>	<u>8,716,042</u>	<u>16,596,477</u>	<u>-</u>	<u>-</u>	<u>180,863,017</u>
<u>\$ 32,167,733</u>	<u>\$ 10,514,608</u>	<u>\$ 19,788,327</u>	<u>\$ 79,508,472</u>	<u>\$ 879,602</u>	<u>\$ 278,140,322</u>

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

Year Ended June 30, 2017

	<u>Operating Fund</u>	<u>Foundation Funds</u>	<u>Donor Advised Funds</u>	<u>Supporting Foundations</u>
Philanthropic Activity:				
Contributions from donors	\$ 25,220	\$ 9,836	\$ 190,029,858	\$ 4,312,709
Contributions to (from) funds	591,957	1,046,089	1,999,983	(2,400,368)
Distributions to charitable organizations	<u>(7,880)</u>	<u>(33,202)</u>	<u>(157,730,040)</u>	<u>(1,050,429)</u>
Total Philanthropic Activity	<u>609,297</u>	<u>1,022,723</u>	<u>34,299,801</u>	<u>861,912</u>
Investment Activity:				
Interest and dividends	8,497	188,867	2,915,741	466,122
Gain on investments	-	1,175,125	7,823,603	1,229,561
Commissions on sale of investments and investment management fees	<u>(29,409)</u>	<u>(10,725)</u>	<u>(266,899)</u>	<u>(3,425)</u>
Total Investment Activity	<u>(20,912)</u>	<u>1,353,267</u>	<u>10,472,445</u>	<u>1,692,258</u>
Operating Activity:				
Administrative fees	2,041,820	1,790	(1,366,444)	(135,878)
Other revenues	92,080	-	-	16,453
Operating expenses	<u>(3,064,960)</u>	<u>-</u>	<u>-</u>	<u>(61,084)</u>
Total Operating Activity	<u>(931,060)</u>	<u>1,790</u>	<u>(1,366,444)</u>	<u>(180,509)</u>
Change in Net Assets	(342,675)	2,377,780	43,405,802	2,373,661
Net Assets Released from Restrictions	-	-	-	-
Net Assets, beginning	<u>1,399,908</u>	<u>11,553,102</u>	<u>122,128,474</u>	<u>20,469,014</u>
Net Assets, ending	<u>\$ 1,057,233</u>	<u>\$ 13,930,882</u>	<u>\$ 165,534,276</u>	<u>\$ 22,842,675</u>

See accompanying notes to consolidated financial statements.

			Total by Net Asset Classification		
Restricted Funds	Endowment Funds	Total	Total Unrestricted	Total Temporarily Restricted	Total Permanently Restricted
\$ 1,050,850	\$ 1,400,249	\$ 196,828,722	\$ 190,056,820	\$ 5,371,653	\$ 1,400,249
1,716,584	(2,954,245)	-	5,704,969	(839,088)	(4,865,881)
<u>(5,050,162)</u>	<u>(1,008,015)</u>	<u>(164,879,728)</u>	<u>(164,755,515)</u>	<u>(124,213)</u>	<u>-</u>
<u>(2,282,728)</u>	<u>(2,562,011)</u>	<u>31,948,994</u>	<u>31,006,274</u>	<u>4,408,352</u>	<u>(3,465,632)</u>
133,240	287,193	3,999,660	3,273,040	726,620	-
481,201	1,539,820	12,249,310	9,696,834	2,552,476	-
<u>(29,299)</u>	<u>(13,191)</u>	<u>(352,948)</u>	<u>(352,948)</u>	<u>-</u>	<u>-</u>
<u>585,142</u>	<u>1,813,822</u>	<u>15,896,022</u>	<u>12,616,926</u>	<u>3,279,096</u>	<u>-</u>
(138,290)	(130,204)	272,794	272,794	-	-
-	-	108,533	108,533	-	-
<u>-</u>	<u>-</u>	<u>(3,126,044)</u>	<u>(3,126,044)</u>	<u>-</u>	<u>-</u>
<u>(138,290)</u>	<u>(130,204)</u>	<u>(2,744,717)</u>	<u>(2,744,717)</u>	<u>-</u>	<u>-</u>
(1,835,876)	(878,393)	45,100,299	40,878,483	7,687,448	(3,465,632)
-	-	-	6,407,483	(6,407,483)	-
<u>8,716,042</u>	<u>16,596,477</u>	<u>180,863,017</u>	<u>131,158,525</u>	<u>29,954,368</u>	<u>19,750,124</u>
<u>\$ 6,880,166</u>	<u>\$ 15,718,084</u>	<u>\$ 225,963,316</u>	<u>\$ 178,444,491</u>	<u>\$ 31,234,333</u>	<u>\$ 16,284,492</u>

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

Year Ended June 30, 2016

	<u>Operating Fund</u>	<u>Foundation Funds</u>	<u>Donor Advised Funds</u>	<u>Supporting Foundations</u>
Philanthropic Activity:				
Contributions from donors	\$ 49,016	\$ 100,378	\$ 82,436,390	\$ 2,972,294
Contributions to (from) funds	621,519	232,150	13,777,615	(18,375,371)
Distributions to charitable organizations	<u>(180)</u>	<u>(47,238)</u>	<u>(99,328,659)</u>	<u>(279,289)</u>
Total Philanthropic Activity	<u>670,355</u>	<u>285,290</u>	<u>(3,114,654)</u>	<u>(15,682,366)</u>
Investment Activity:				
Interest and dividends	2,732	267,194	2,556,134	1,035,764
Gain (loss) on investments	2	(352,265)	(2,058,030)	(1,860,367)
Commissions on sale of investments and investment management fees	<u>(19,664)</u>	<u>(8,827)</u>	<u>(191,919)</u>	<u>(58,084)</u>
Total Investment Activity	<u>(16,930)</u>	<u>(93,898)</u>	<u>306,185</u>	<u>(882,687)</u>
Operating Activity:				
Administrative fees	1,968,036	(1,084)	(1,263,915)	(187,977)
Other revenues	237,370	-	-	7,435
Operating expenses	<u>(2,734,910)</u>	<u>-</u>	<u>-</u>	<u>(6,148)</u>
Total Operating Activity	<u>(529,504)</u>	<u>(1,084)</u>	<u>(1,263,915)</u>	<u>(186,690)</u>
Change in Net Assets	123,921	190,308	(4,072,384)	(16,751,743)
Net Assets Released from Restrictions	-	-	-	-
Net Assets, beginning	<u>1,275,987</u>	<u>11,362,794</u>	<u>126,200,858</u>	<u>37,220,757</u>
Net Assets, ending	<u>\$ 1,399,908</u>	<u>\$ 11,553,102</u>	<u>\$ 122,128,474</u>	<u>\$ 20,469,014</u>

See accompanying notes to consolidated financial statements.

			Total by Net Asset Classification		
Restricted Funds	Endowment Funds	Total	Total Unrestricted	Total Temporarily Restricted	Total Permanently Restricted
\$ 2,421,511	\$ 1,180,936	\$ 89,160,525	\$ 82,585,784	\$ 5,393,805	\$ 1,180,936
2,961,630	782,457	-	12,992,582	(15,501,341)	2,508,759
<u>(10,847,540)</u>	<u>(1,097,540)</u>	<u>(111,600,446)</u>	<u>(111,511,243)</u>	<u>(89,203)</u>	<u>-</u>
<u>(5,464,399)</u>	<u>865,853</u>	<u>(22,439,921)</u>	<u>(15,932,877)</u>	<u>(10,196,739)</u>	<u>3,689,695</u>
239,060	469,048	4,569,932	2,012,147	2,557,785	-
(483,718)	(601,786)	(5,356,164)	(1,306,497)	(4,049,667)	-
<u>(49,754)</u>	<u>(11,394)</u>	<u>(339,642)</u>	<u>(339,642)</u>	<u>-</u>	<u>-</u>
<u>(294,412)</u>	<u>(144,132)</u>	<u>(1,125,874)</u>	<u>366,008</u>	<u>(1,491,882)</u>	<u>-</u>
(158,048)	(117,928)	239,084	239,084	-	-
-	-	244,805	244,805	-	-
<u>-</u>	<u>-</u>	<u>(2,741,058)</u>	<u>(2,741,058)</u>	<u>-</u>	<u>-</u>
<u>(158,048)</u>	<u>(117,928)</u>	<u>(2,257,169)</u>	<u>(2,257,169)</u>	<u>-</u>	<u>-</u>
(5,916,859)	603,793	(25,822,964)	(17,824,038)	(11,688,621)	3,689,695
-	-	-	11,580,691	(11,580,691)	-
<u>14,632,901</u>	<u>15,992,684</u>	<u>206,685,981</u>	<u>137,401,872</u>	<u>53,223,680</u>	<u>16,060,429</u>
<u>\$ 8,716,042</u>	<u>\$ 16,596,477</u>	<u>\$ 180,863,017</u>	<u>\$ 131,158,525</u>	<u>\$ 29,954,368</u>	<u>\$ 19,750,124</u>

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Consolidated Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 45,100,299	\$ (25,822,964)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donation of investments	(121,480,698)	(45,202,521)
(Gain) loss on investments	(12,249,310)	5,356,164
Depreciation	24,320	24,320
Contributions permanently restricted	(1,400,249)	(1,180,936)
Changes in operating assets and liabilities:		
Proceeds from sales of donated investments	121,480,698	45,202,521
Cash surrender value of insurance policies	(8,339)	(37,068)
Other assets	(2,236,327)	(2,482,039)
Assets held for others	10,352,711	(912,691)
Beneficial interests	2,927,693	(25,660)
Accounts payable	48,353	(36,073)
Grants payable	(2,763,198)	98,682
Net Cash Provided (Used) by Operating Activities	39,795,953	(25,018,265)
Cash Flows from Investing Activities:		
Purchases of investments	(87,131,255)	(45,606,595)
Proceeds from sales of investments	44,439,568	71,149,649
Net Cash Provided (Used) by Investing Activities	(42,691,687)	25,543,054
Cash Flows Provided by Financing Activities:		
Contributions permanently restricted	1,400,249	1,180,936
Net Increase (Decrease) in Cash	(1,495,485)	1,705,725
Cash, beginning	3,796,301	2,090,576
Cash, ending	\$ <u>2,300,816</u>	\$ <u>3,796,301</u>

See accompanying notes to consolidated financial statements.

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JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

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, seven 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 Foundation Funds. 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, 2017 and 2016

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

Unrestricted Funds, continued

Foundation Funds

For purposes of financial reporting, the “Foundation Funds” consist of board-designated restricted funds, board-designated endowments (including the Marjory Kaplan Foundation Fund which incorporates the former Unrestricted Fund) and donor-restricted endowments. The Funds are established to support the operations and infrastructure of the Foundation or support specific programs.

The Board of Directors approved a motion giving the Foundation’s Board the right to use up to 5% of the net market value of the Marjory Kaplan Foundation Fund averaged over the 12 preceding quarters ending on the last business day of March of the preceding fiscal year, 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 net 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 Foundation Funds 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 Jewish Federation of San Diego County’s Board of Directors.

Donor Advised Funds

The Donor Advised Funds consist of contributions accepted and received from donors by the Foundation and the accumulated undistributed earnings of the Funds. 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.

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

Temporarily Restricted Funds

Supporting Foundations

The Foundation maintains control over all supporting foundations. Therefore, the supporting foundations’ statements of financial position and activities have been consolidated with the Foundation’s. Each of the seven supporting foundations, as well the Community Foundation Charitable Real Estate Fund, develop their 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.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

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

Temporarily Restricted Funds, continued

Supporting Foundations, continued

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

Future minimum grant obligations as of June 30, 2017 are as follows:

<u>Years ending June 30,</u>		
2018	\$	85,000
2019		25,000
2020		25,000
2021		25,000
Thereafter		-
	\$	<u>160,000</u>

One Supporting Foundation also receives multi-year promises to give. As of June 30, 2017 and 2016, promises to give totaled approximately \$28,000 and \$36,000, respectively. The promises to give are receivable through June 30, 2019.

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, 2017 and 2016 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.

Restricted Funds

The Foundation manages 32 donor restricted funds restricted for time and/or use. These 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.

Multi-year grants are made from one of the restricted funds.

Future minimum grant obligations as of June 30, 2017 are as follows:

<u>Years ending June 30,</u>		
2018	\$	730,000
2019		230,000
2020		-
Thereafter		-
	\$	<u>960,000</u>

Custodial Funds

The Foundation has agreements with 46 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.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

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

Permanently Restricted Funds

Endowment Funds

The Foundation manages 69 donor restricted funds. The restrictions on 61 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.

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.

Cash Surrender Value of Insurance Policies

The Foundation owns life insurance policies on the lives of donors who have directed contributions to the Foundation to pay policy premiums. During the donor's lifetime, the Foundation maintains an unrestricted interest in the net cash surrender value of the policies. After the donor's lifetime, the net death benefit is directed to the Foundation.

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, generally 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.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

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

Beneficial Interests

The Foundation receives and holds resources in an endowment fund from other nonprofit organizations, which have specified itself or its affiliate as a beneficiary of the income of that fund, even if they have transferred variance power. Although these are reciprocal transactions, the value of future distributions to the beneficiaries will not equal the value of the assets transferred to the Foundation because the liability is recorded as an approximation of the present value of the income expected to be distributed to the beneficiaries. The Foundation is only obligated to pay income on the fund in accordance with its spending policy, not transfer the assets, since it retains legal control of the assets in perpetuity.

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 Jewish Community Foundation of San Diego is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) Organization under the Federal Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The Jewish Community Foundation of San Diego, however, may occasionally be subject to taxes on unrelated business income. The Foundation paid approximately \$1,100 in tax on unrelated business income for the year ended June 30, 2016. No tax was paid for the year ended June 30, 2017. The Foundation is not a private foundation.

The Foundation follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the consolidated statement of activities, when applicable. Management has determined that the Foundation has no uncertain tax positions at June 30, 2017 and 2016 and no amounts have been accrued. The Foundation files informational and income tax returns in the United States and various state and local jurisdictions.

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, 2017 and 2016, due to the relative short maturities of these instruments.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

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

New Pronouncements

In August 2016, the FASB issued ASU 2016-14, “*Not-for-Profit Entities (Topic 958)*”. ASU 2016-14 requires improved presentation and disclosures to help not-for-profit entities provide more relevant information about their resources to donors, grantors, creditors, and other users. These improvements apply to qualitative and quantitative requirements in net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, and early application is permitted.

The Foundation is currently evaluating the impact of the provisions of ASU 2016-14 on the presentation of its consolidated financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through December 20, 2017, which is the date the consolidated financial statements were available to be issued. No subsequent events have been identified.

Note 2 – Concentrations

Cash

The Foundation maintains their cash balances in several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to a limit of \$250,000 per institution. At June 30, 2017, the Foundation’s uninsured cash balance totaled \$1,984,053. The Foundation has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash. 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, 2017, the Foundation had two major contributors that accounted for approximately 77% of the Foundation’s total contributions, of which one contributor accounted for approximately 50% and one accounted for approximately 27%. During the year ended June 30, 2016, the Foundation had one major contributor that accounted for approximately 51% of the Foundation’s total contributions. Management believes that the Foundation is not exposed to any significant concentration risk in the near term.

Note 3 – Investments

Investments consist of the following:

	<u>2017</u>		<u>2016</u>
Operating Fund:			
Money market funds	\$ 200,803	\$	575,785
Certificates of deposit	317,401		684,499
	<u>\$ 518,204</u>	<u>\$</u>	<u>1,260,284</u>

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

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

	2017	2016
Foundation Funds:		
Money market funds	\$ 62,167	\$ 75,777
Certificates of deposit	90,522	80,352
Mutual funds:		
Fixed income - domestic	1,068,073	799,437
Fixed income - global	404,056	267,593
Large cap - domestic	1,188,847	927,529
Large cap - international	678,585	532,082
Mid cap - domestic	339,375	267,322
Small cap - domestic	395,909	267,793
Small cap - international	562,821	393,762
Global equity	4,353,655	3,443,799
Commodities and real assets	674,880	516,896
Alternative investments:		
Private equity funds	188,813	125,316
Hedge fund of funds	3,084,518	3,000,802
	<u>\$ 13,092,221</u>	<u>\$ 10,698,460</u>

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

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

	2017	2016
Donor Advised Funds:		
Money market funds	\$ 10,680,487	\$ 13,979,268
Certificates of deposit	14,841,990	12,882,467
Equity securities:		
Large cap - domestic	15,604,844	11,404,441
Large cap - international	2,521,556	2,692,033
Mid cap - domestic	1,551,167	1,453,576
Mid cap - international	97,924	40,560
Small cap - domestic	245,835	316,872
Small cap - international	11,674	-
Fixed income:		
Government bonds - domestic	1,750,875	2,359,513
Government bonds - international	285,628	265,688
Corporate bonds - domestic	4,904,056	4,495,436
Corporate bonds - international	100,195	100,753
Mutual funds:		
Fixed income - domestic	32,625,683	18,912,671
Fixed income - global	15,189,415	13,165,394
Large cap - domestic	11,313,456	5,566,798
Large cap - international	10,949,649	3,491,335
Mid cap - domestic	3,377,301	871,270
Small cap - domestic	3,438,054	906,098
Small cap - international	2,391,652	1,157,125
Global equity	16,830,251	14,147,129
Real estate	-	58,018
Commodities and real assets	2,926,521	2,815,855
Annuity	2,961,715	2,779,689
Real estate investment trust	527,488	566,170
Alternative investments:		
Mutual funds	3,829,234	-
Private equity funds	2,638,185	706,291
Special purpose vehicle	-	60,101
Hedge fund of funds	2,474,918	2,901,057
	<u>\$ 164,069,753</u>	<u>\$ 118,095,608</u>

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

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

	2017		2016
Supporting Foundations:			
Money market funds	\$ 4,599,766	\$	5,430,500
Certificates of deposit	47		1,120,923
Equity securities:			
Large cap - domestic	1,174,379		1,275,401
Large cap - international	557,466		349,136
Mid cap - domestic	5,924		26,480
Fixed income:			
Government bonds - domestic	3,582,714		4,570,009
Government bonds - international	8,182		9,688
Corporate bonds - domestic	1,125		2,000
Mutual funds:			
Fixed income - domestic	2,508,010		1,778,511
Fixed income - global	591,256		371,573
Large cap - domestic	2,974,408		2,127,934
Large cap - international	1,342,102		846,055
Mid cap - domestic	553,507		332,183
Small cap - domestic	617,501		321,053
Small cap - international	766,009		371,395
Global equity	5,914,436		3,212,786
Commodities and real assets	907,115		472,355
Real estate investment trust	1,011		1,011
Alternative investments:			
Private equity funds	293,907		170,165
Hedge fund of funds	8,251,927		6,440,596
	<u>\$ 34,650,792</u>	<u>\$</u>	<u>29,229,754</u>

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

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

	2017		2016
Restricted Funds:			
Money market funds	\$ 1,211,637	\$	2,871,750
Certificates of deposit	1,397,746		1,818,910
Equity securities:			
Large cap - domestic	540,796		326,064
Large cap - international	223,309		252,336
Mid cap - domestic	422,745		139,345
Fixed income:			
Government bonds - domestic	156,874		-
Government bonds - international	9,511		16,124
Mutual funds:			
Fixed income - domestic	1,044,660		1,351,117
Fixed income - global	215,078		457,714
Large cap - domestic	609,929		831,356
Large cap - international	511,220		558,224
Mid cap - domestic	30,223		244,003
Small cap - domestic	136,160		222,576
Small cap - international	45,433		57,736
Global equity	518,599		671,638
Real estate	146,354		183,315
Commodities and real assets	67,774		75,844
Real Estate Investment Trust	106,035		-
Alternative investments:			
Private equity funds	3,777		2,539
Special purpose vehicle	252,916		189,899
Hedge fund of funds	61,709		60,787
	\$ 7,712,485	\$	10,331,277

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

	2017	2016
Endowment Funds:		
Money market funds	\$ 40,568	\$ 61,049
Certificates of deposit	51,712	48,717
Equity securities:		
Large cap - domestic	-	952,058
Fixed income:		
Government bonds - domestic	-	237,816
Government bonds - international	11,712	10,657
Corporate bonds - domestic	-	447,100
Mutual funds:		
Fixed income - domestic	2,067,182	1,766,394
Fixed income - global	786,205	637,973
Large cap - domestic	2,011,549	1,587,128
Large cap - international	1,138,874	901,656
Mid cap - domestic	570,048	453,144
Small cap - domestic	660,269	454,045
Small cap - international	939,596	666,568
Global equity	7,277,104	5,815,028
Commodities and real assets	1,120,715	868,165
Alternative investments:		
Private equity funds	301,095	201,669
Hedge fund of funds	4,918,806	4,829,160
	\$ 21,895,435	\$ 19,938,327
	2017	2016
Custodial Funds:		
Money market funds	\$ 1,258,879	\$ 2,083,051
Certificates of deposit	1,963,643	2,138,244
Fixed income:		
Government bonds - international	184,967	197,842
Mutual funds:		
Fixed income - domestic	9,852,593	7,275,197
Fixed income - global	9,519,010	9,156,032
Large cap - domestic	5,854,742	5,721,465
Large cap - international	8,337,399	7,177,968
Mid cap - domestic	1,576,623	1,567,612
Small cap - domestic	1,764,407	1,572,283
Small cap - international	2,523,481	2,292,220
Global equity	25,016,968	23,822,324
Commodities and real assets	2,994,890	2,885,989
Alternative investments:		
Private equity funds	623,622	535,190
Hedge fund of funds	10,187,737	12,815,609
	\$ 81,658,961	\$ 79,241,026

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

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

	2017	2016
Charitable Trusts and Gift Annuities:		
Money market funds	\$ 43,308	\$ 36,960
Equity securities:		
Large cap - domestic	125,420	108,498
Large cap - international	47,323	17,078
Mid cap - domestic	31,924	34,656
Small cap - domestic	10,236	8,483
Fixed income:		
Government bonds - domestic	222,870	111,475
Mutual funds:		
Fixed income - domestic	342,478	397,027
Fixed income - international	4,394	23,473
Fixed income - global	4,452	50,046
Large cap - domestic	134,313	34,465
Large cap - international	14,442	23,412
Mid cap - domestic	13,959	17,777
Small cap - domestic	36,870	12,217
Global equity	-	5,607
Multi-strategy	-	2,047
Commodities and real assets	-	2,838
Real estate investment trust	3,000	11,374
Alternative investments:		
Mutual funds	771	445
	<u>\$ 1,035,760</u>	<u>\$ 897,878</u>

Union Bank acts as the trustee for charitable remainder trusts in which the Foundation has remainder interests, following the expiration of the trust. 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, 2017 and 2016

Note 3 – Investments, continued

The fair market value of investments is categorized as follows for the year ended June 30, 2017:

Description	Level 1	Level 2	Level 3	Total
Money market funds	\$ 18,097,615	\$ -	\$ -	\$ 18,097,615
Certificates of deposit	18,663,061	-	-	18,663,061
Equity securities:				
Large cap - domestic	17,445,439	-	-	17,445,439
Large cap - international	3,349,654	-	-	3,349,654
Mid cap - domestic	2,011,760	-	-	2,011,760
Mid cap - international	97,924	-	-	97,924
Small cap - domestic	256,071	-	-	256,071
Small cap - international	11,674	-	-	11,674
Fixed income:				
Government bonds - domestic	5,713,333	-	-	5,713,333
Government bonds - international	-	500,000	-	500,000
Corporate bonds - domestic	4,905,181	-	-	4,905,181
Corporate bonds - international	100,195	-	-	100,195
Mutual funds:				
Fixed income - domestic	47,797,348	1,711,331	-	49,508,679
Fixed income - international	4,394	-	-	4,394
Fixed income - global	26,709,472	-	-	26,709,472
Large cap - domestic	24,087,244	-	-	24,087,244
Large cap - international	22,972,271	-	-	22,972,271
Mid cap - domestic	6,461,036	-	-	6,461,036
Small cap - domestic	7,049,170	-	-	7,049,170
Small cap - international	7,228,992	-	-	7,228,992
Global equity	55,337,162	4,573,851	-	59,911,013
Real estate	146,354	-	-	146,354
Commodities and real assets	8,691,895	-	-	8,691,895
Annuity	2,961,715	-	-	2,961,715
Real estate investment trust	636,523	-	1,011	637,534
Alternative investments:				
Mutual funds	3,622,228	207,777	-	3,830,005
Private equity funds	-	-	4,049,399	4,049,399
Special purpose vehicle	-	252,916	-	252,916
Hedge fund of funds	-	-	28,979,615	28,979,615
	<u>\$ 284,357,711</u>	<u>\$ 7,245,875</u>	<u>\$ 33,030,025</u>	<u>\$ 324,633,611</u>

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

The fair market value of investments is categorized as follows for the year ended June 30, 2016:

Description	Level 1	Level 2	Level 3	Total
Money market funds	\$ 25,114,140	\$ -	\$ -	\$ 25,114,140
Certificates of deposit	18,774,112	-	-	18,774,112
Equity securities:				
Large cap - domestic	14,066,462	-	-	14,066,462
Large cap - international	3,310,583	-	-	3,310,583
Mid cap - domestic	1,654,057	-	-	1,654,057
Mid cap - international	40,560	-	-	40,560
Small cap - domestic	325,355	-	-	325,355
Fixed income:				
Government bonds - domestic	7,278,813	-	-	7,278,813
Government bonds - international	-	499,999	-	499,999
Corporate bonds - domestic	4,944,536	-	-	4,944,536
Corporate bonds - international	100,753	-	-	100,753
Mutual funds:				
Fixed income - domestic	32,178,954	101,400	-	32,280,354
Fixed income - international	23,473	-	-	23,473
Fixed income - global	24,106,325	-	-	24,106,325
Large cap - domestic	16,796,675	-	-	16,796,675
Large cap - international	13,530,732	-	-	13,530,732
Mid cap - domestic	3,753,311	-	-	3,753,311
Small cap - domestic	3,637,390	118,675	-	3,756,065
Small cap - international	4,938,806	-	-	4,938,806
Global equity	46,758,173	4,360,138	-	51,118,311
Multi-strategy	2,047	-	-	2,047
Real estate	241,333	-	-	241,333
Commodities and real assets	7,637,942	-	-	7,637,942
Annuity	2,779,689	-	-	2,779,689
Real estate investment trust	567,406	-	11,149	578,555
Alternative investments:				
Mutual funds	445	-	-	445
Private equity funds	-	-	1,741,170	1,741,170
Special purpose vehicle	-	250,000	-	250,000
Hedge fund of funds	-	-	30,048,011	30,048,011
	<u>\$ 232,562,072</u>	<u>\$ 5,330,212</u>	<u>\$ 31,800,330</u>	<u>\$ 269,692,614</u>

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

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

Changes in the fair value of level 3 investments are as follows at June 30, 2017:

	Real estate investment trust	Private equity funds	Hedge fund of funds	Total
Fair value, beginning	\$ 11,149	\$ 1,741,170	\$ 30,048,011	\$ 31,800,330
Purchases	4,895	2,873,053	411,624	3,289,572
Investment gains	321	347,147	1,207,060	1,554,528
Capital distributions	-	(911,971)	(2,687,080)	(3,599,051)
Sales	(15,354)	-	-	(15,354)
Fair value, ending	\$ <u>1,011</u>	\$ <u>4,049,399</u>	\$ <u>28,979,615</u>	\$ <u>33,030,025</u>

Changes in the fair value of level 3 investments are as follows at June 30, 2016:

	Real estate investment trust	Private equity funds	Hedge fund of funds	Total
Fair value, beginning	\$ 2,512	\$ 1,909,280	\$ 32,789,464	\$ 34,701,256
Purchases	38,384	522,750	-	561,134
Investment gains (losses)	1,056	24,198	(708,629)	(683,375)
Capital distributions	-	(715,058)	(2,032,824)	(2,747,882)
Sales	(30,803)	-	-	(30,803)
Fair value, ending	\$ <u>11,149</u>	\$ <u>1,741,170</u>	\$ <u>30,048,011</u>	\$ <u>31,800,330</u>

The valuations of the global equity mutual funds, private equity funds, and hedge fund of funds are reflected at fair value, which is determined by the fund managers and defined as the price agreed to in an orderly transaction between market participants to sell an asset or transfer a liability. The fair value of the funds is generally based on the Net Asset Value (NAV) of the underlying funds. The NAV of each underlying fund is calculated by an independent administrator as of a specific valuation date, which is done at a minimum quarterly. The valuation techniques used by the administrators include, but are not limited to, the market approach, sales-comparison approach, and income approach.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 3 – Investments, continued

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

	<u>Fair value at June 30, 2017</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Mutual funds [a]	\$ 105,040	none	daily	n/a
Mutual funds [a]	6,180,142	none	quarterly	21 - 60 days
Private equity funds [b]	1,933,778	\$ 3,309,701	not allowed	n/a
Private equity funds [b]	2,115,621	none	quarterly	21 days
Hedge fund of funds [c]	19,244,464	none	quarterly	65 days
Hedge fund of funds [c]	5,520,188	none	semi-annually	120 days
Hedge fund of funds [c]	2,085,649	none	annually	90 days
Hedge fund of funds [c]	2,129,314	none	every 3 years	90 days
Special purpose vehicle [d]	252,916	none	semi-annually	180 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 hedge fund of funds employ a variety of strategies including absolute return, diversified arbitrage, investment in distress strategies, and various long/short strategies.

[d] Investments in pooled investment fund interests.

	<u>Fair value at June 30, 2016</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Mutual funds [a]	\$ 4,580,213	none	monthly	n/a
Private equity funds [b]	1,741,170	\$ 3,852,314	not allowed	n/a
Hedge fund of funds [c]	19,096,966	none	quarterly	30 - 95 days
Hedge fund of funds [c]	7,112,939	none	semi-annually	120 days
Hedge fund of funds [c]	1,901,059	none	annually	60 - 90 days
Hedge fund of funds [c]	1,937,047	none	every 3 years	90 days
Special purpose vehicle [d]	250,000	none	semi-annually	180 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 hedge fund of funds employ a variety of strategies including absolute return, diversified arbitrage, investment in distress strategies, and various long/short strategies.

[d] Investments in pooled investment fund interests.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 4 – Other Assets

Other assets consist of the following:

	2017	2016
Real property	\$ 4,690,449	\$ 1,888,620
Other receivables	857,874	1,330,612
Notes receivable	260,265	372,479
Promises to give	234,638	215,188
Property and equipment, net of accumulated depreciation	62,828	87,148
	<u>\$ 6,106,054</u>	<u>\$ 3,894,047</u>

Promises to give consist of the following:

	2017	2016
Due in one year or less	\$ 168,664	\$ 103,214
Due after one year through five years	65,974	111,974
	<u>\$ 234,638</u>	<u>\$ 215,188</u>

Promises to give due after one year have not been discounted because management believes the discount is insignificant.

At June 30, 2017 and 2016, the Foundation had approximately \$260,000 and \$372,000 of notes receivable outstanding from local Jewish organizations, respectively. The notes bear interest at a range of 0% to 1.2%, through March 2019. The notes are secured with a deed of trust. The notes contain 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:

	2017	2016
Restricted Funds charitable distributions	\$ 5,050,162	\$ 10,847,540
Supporting Foundations charitable distributions	1,050,429	279,289
Asset management fees	274,168	346,024
Other qualifying expenses	32,724	107,838
	<u>\$ 6,407,483</u>	<u>\$ 11,580,691</u>

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 6 – Administrative Fees

Administrative fees of up to 1.5% of invested assets 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:

	2017	2016
Donor Advised Funds	\$ 1,366,444	\$ 1,256,478
Custodial Funds	246,186	226,334
Supporting Foundations	218,368	260,920
Endowment Funds	157,182	137,248
Restricted Funds	138,290	158,047
Charitable Gift Annuities	3,398	1,008
	<u>\$ 2,129,868</u>	<u>\$ 2,040,035</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 \$140,476 and \$112,087 for the years ended June 30, 2017 and 2016, respectively.

Note 8 – Endowments

The Foundation's endowment consists of 62 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board 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 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, 2017 and 2016

Note 8 – Endowments, continued

At June 30, 2017 and 2016, the endowment was comprised of two funds, the Foundation Funds and the Endowment Funds. The net assets of the Foundation Funds are comprised of board-designated restricted funds, board-designated endowments and donor-restricted endowments. The net assets of the Endowment Funds are comprised of temporarily restricted funds and donor-restricted endowments.

The net assets of the Foundation Funds are comprised of the following at June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 175,046	\$ 1,656,871	\$ 1,831,917
Board-designated endowment funds	11,951,175	-	-	11,951,175
Board-designated restricted funds	<u>147,790</u>	<u>-</u>	<u>-</u>	<u>147,790</u>
Total Foundation Funds	<u>\$ 12,098,965</u>	<u>\$ 175,046</u>	<u>\$ 1,656,871</u>	<u>\$ 13,930,882</u>

The net assets of the Endowment Funds are comprised of the following at June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (245,983)	\$ 827,394	\$ 14,627,621	\$ 15,209,032
Temporarily restricted funds	<u>-</u>	<u>509,052</u>	<u>-</u>	<u>509,052</u>
Total Endowment Funds	<u>\$ (245,983)</u>	<u>\$ 1,336,446</u>	<u>\$ 14,627,621</u>	<u>\$ 15,718,084</u>

At June 30, 2017, the endowment net assets composition by type of fund consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (245,983)	\$ 1,002,440	\$ 16,284,492	\$ 17,040,949
Board-designated endowment funds	<u>11,951,175</u>	<u>-</u>	<u>-</u>	<u>11,951,175</u>
Total endowment funds	<u>\$ 11,705,192</u>	<u>\$ 1,002,440</u>	<u>\$ 16,284,492</u>	<u>\$ 28,992,124</u>

Changes in endowment net assets for the year ended June 30, 2017, consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning	\$ 7,482,200	\$ 291,337	\$ 19,750,124	\$ 27,523,661
Change in endowment net assets:				
Philanthropic activity	2,107,254	(159,711)	(3,465,632)	(1,518,089)
Investment activity	2,221,189	911,815	-	3,133,004
Operating activity	<u>(105,451)</u>	<u>(41,001)</u>	<u>-</u>	<u>(146,452)</u>
	<u>4,222,992</u>	<u>711,103</u>	<u>(3,465,632)</u>	<u>1,468,463</u>
Endowment net assets, ending	<u>\$ 11,705,192</u>	<u>\$ 1,002,440</u>	<u>\$ 16,284,492</u>	<u>\$ 28,992,124</u>

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 8 – Endowments, continued

The net assets of the Foundation Funds are comprised of the following at June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (2,130)	\$ 72,722	\$ 1,146,302	\$ 1,216,894
Board-designated endowment funds	10,188,265	-	-	10,188,265
Board-designated restricted funds	147,943	-	-	147,943
Total Foundation Funds	<u>\$ 10,334,078</u>	<u>\$ 72,722</u>	<u>\$ 1,146,302</u>	<u>\$ 11,553,102</u>

The net assets of the Endowment Funds are comprised of the following at June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (2,703,935)	\$ 218,615	\$ 18,603,822	\$ 16,118,502
Temporarily restricted funds	-	477,975	-	477,975
Total Endowment Funds	<u>\$ (2,703,935)</u>	<u>\$ 696,590</u>	<u>\$ 18,603,822</u>	<u>\$ 16,596,477</u>

At June 30, 2016, the endowment net assets composition by type of fund consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (2,706,065)	\$ 291,337	\$ 19,750,124	\$ 17,335,396
Board-designated endowment funds	10,188,265	-	-	10,188,265
Total endowment funds	<u>\$ 7,482,200</u>	<u>\$ 291,337</u>	<u>\$ 19,750,124</u>	<u>\$ 27,523,661</u>

Changes in endowment net assets for the year ended June 30, 2016, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	\$ 9,779,081	\$ 864,095	\$ 16,060,429	\$ 26,703,605
Change in endowment net assets:				
Philanthropic activity	(2,394,391)	(128,630)	3,689,695	1,166,674
Investment activity	204,367	(417,592)	-	(213,225)
Operating activity	(106,857)	(26,536)	-	(133,393)
	<u>(2,296,881)</u>	<u>(572,758)</u>	<u>3,689,695</u>	<u>820,056</u>
Endowment net assets, ending	<u>\$ 7,482,200</u>	<u>\$ 291,337</u>	<u>\$ 19,750,124</u>	<u>\$ 27,523,661</u>

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 \$245,983 and \$2,706,065 as of June 30, 2017 and 2016, respectively. These deficiencies resulted from unfavorable market fluctuations overall since the date of the gifts.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2017 and 2016

Note 8 – Endowments, continued

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 designed to meet a number of objectives through the use of five common investment pools and select outside managers. 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 average ending balance of the previous 12 quarters beginning with the end of the prior calendar 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 2016 notes to consolidated financial statements related to holding classifications of investments 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, 2017

Organizations Serving Jewish Purposes Within San Diego:

Jewish Federation of San Diego County	\$ 4,338,453
Jewish Family Service of San Diego	3,109,069
Lawrence Family Jewish Community Center JACOBS FAMILY CAMPUS	2,684,412
Congregation Beth Israel	2,479,815
Congregation Beth Am	1,488,972
Seacrest Foundation	1,484,297
JFS Foundation	1,000,000
Congregation Beth El	859,867
Hillel of San Diego	657,889
Hope Village San Diego	513,182
Soille San Diego Hebrew Day School	275,924
San Diego Jewish Academy	234,849
Anti-Defamation League	203,554
Tifereth Israel Synagogue	169,829
Camp Mountain Chai	156,247
Temple Solel of North San Diego County	142,773
Congregation Adat Yeshurun	134,843
Temple Emanu-El	123,927
Israel Emergency Alliance (StandWithUs)	92,510
Ohr Shalom Synagogue	86,103
Ken Jewish Community	67,646
Coastal Roots Farm	57,238
Southern California Yeshiva High School	51,599
Friendship Circle of San Diego	47,300
Friends of Chabad Lubavitch San Diego (Chabad of San Diego)	41,360
Ner Tamid Synagogue	31,249
Torah High Schools of San Diego	30,139
Beth El Endowment Foundation	25,000
Hadassah the Womens Zionist Organization of America	22,399
Temple Beth Sholom	17,698
Friends of Chabad Lubavitch San Diego (Chabad Hebrew Academy)	14,503
Chabad of Downtown San Diego	13,310
Chabad of the College Area	13,240
Beth Eliyahu Torah Center	13,210
San Diego Jewish Experience	12,900
Jewish Gift Closet - San Diego Gmach	11,638
Temple Adat Shalom	10,880
Kehillat Israel-Jewish Congregation of Pacific Palisades	7,780
Chabad of Carmel Valley	7,200
Chabad of La Jolla Shores	6,076
Other Organizations Under \$5,000	(52,142)
Total	20,686,738

Organizations Serving Jewish Purposes Outside of San Diego:

American Society for Technion-Israel Institute of Technology Inc	25,607,645
Hadassah, The Women's Zionist Organization of America, Inc.	1,900,250
American Jewish Joint Distribution Committee	1,265,081
Friends of the Israel Defense Forces	327,630
Sarasota-Manatee Jewish Federation, Inc.	250,000

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

American Friends of Tel Aviv University	220,000
Jewish Agency for Israel - North American Council	203,400
Jewish National Fund	198,780
P.E.F. Israel Endowment Funds	197,860
Friends of Tel Aviv Sourasky Medical Center	166,000
Jewish Community Centers Assoc of North America	165,000
Hadassah Medical Relief Association	151,000
American Israel Education Foundation	146,000
Friends of United Hatzalah	110,360
Jewish Federations of North America	100,360
Centro Primo Levi	96,436
New Israel Fund	77,705
J Street Education Fund, Inc.	75,410
American Committee for Tel Aviv Foundation Inc.	60,000
Boulder Jewish Community Center	55,000
U.S. Holocaust Memorial Museum	54,741
Jewish Federation of Greater Des Moines	50,100
Maccabi World Union	50,000
Jewish Community Foundation of Los Angeles	50,000
Beit Avraham	50,000
Central Europe Center for Research & Documentation, Inc.	43,000
The Butterfly Project	42,635
American Friends of the Association for the Adv of Community Centers in Israel	40,000
American Friends of the Israel Museum	32,500
University of Southern California	31,150
Jews for Racial and Economic Justice	30,000
Peninsula Temple Beth El	28,466
Shalem Foundation	25,000
Louis D. Brandeis Center	25,000
Israel Tennis Centers Foundation Inc.	24,250
American Friends of Magen David Adom	21,643
Jewish Family and Children's Services	21,100
Hillel the Foundation for Jewish Campus Life	20,750
American Jewish University	16,600
Jewish Community Federation of S.F. Marin Peninsula & Sonoma Cty.	16,280
American Jewish Committee	15,900
Hazon Inc.	15,280
Birthright Israel Foundation	14,860
Simon Wiesenthal Center	14,280
Jewish Institute for National Security Affairs	13,680
American Friends of the Shalom Hartman Institute	13,050
Hand in Hand American Friends of the Center for Jewish-Arab Education in Israel	12,850
American Friends of Sheba Medical Center-Tel Hashomer	12,500
Mechon Hadar	12,000
Lamplighters Yeshivah	12,000
Congregation Shir Ha-Ma- Alot	11,580
Beber Camp Property Inc.	11,000
American Society of Yad Vashem Inc.	10,544
Adopt A Family Foundation	10,420
Scheck Hillel Community School Inc.	10,360
UCLA Hillel	10,017

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

Touro College	10,000
Institute for Jewish Thought and Culture	10,000
Hillel at the University of Pennsylvania	10,000
Hasbara Fellowships	10,000
Calabasas Shul	10,000
Bnai Brith Youth Organization Inc	10,000
American Friends of Meshi Inc	10,000
American Jewish World Service	9,750
Congregation Shir Hadash	9,582
Institute for Jewish Spirituality	9,460
Jewish Community Center of Las Vegas	9,170
Jake TV Inc.	9,000
Jewish Federation of Portland	8,800
Committee for Accuracy in Middle East Reporting in America	8,050
Reconstructionist Rabbinical College	8,000
Mesivta Yeshiva Rabbi Chaim Berlin	7,500
Wilshire Boulevard Temple	7,450
Congregation Beth Israel	7,040
America Israel Cultural Foundation	7,000
World Jewish Congress American Section	6,880
Friends of Yemin Orde, Inc.	6,360
Urban Adamah	6,000
The Jewish Federation of Greater Washington	6,000
Jewish Federation Council of Greater Los Angeles	6,000
European Center for Jewish Societies	6,000
Hebrew Immigrant Aid Society	5,793
Yad Yisroel Inc	5,500
Temple of the Arts	5,500
Congregation Ner Tamid	5,500
Chabad Student Center at UofM	5,500
Fund For Israel's Tomorrow	5,118
Union for Reform Judaism	5,093
Congregation Beth Torah	5,018
Yeshiva of Spring Valley	5,000
Yad Aharon Inc.	5,000
World Confederation of Jewish Community Centers	5,000
Valley of the Sun Jewish Community Center Inc.	5,000
Tucson Jewish Community Center, Inc.	5,000
Schechter Institute of Jewish Studies Inc.	5,000
JSL Foundation	5,000
Jewish Community Center of Orange County	5,000
Jewish Book Council	5,000
Heritage Pointe	5,000
Facing History and Ourselves	5,000
Congregation Bais Tzvi Yosef	5,000
Chai Lifeline	5,000
Chabad of Hamilton Heights	5,000
Bnos Malka Academy	5,000
Beit Tshuvah	5,000
American Friends of Meir Panim	5,000

See independent auditors' report.

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

Year Ended June 30, 2017

Other Organizations Under \$5,000	239,786
Total	<u>32,823,303</u>

Other Organizations Primarily Serving the County of San Diego:

UCSD Foundation	33,422,180
Salk Institute for Biological Studies	7,306,318
San Diego Symphony	6,572,400
Museum of Contemporary Art San Diego	4,114,590
La Jolla Playhouse	3,534,733
La Jolla Music Society	3,310,315
San Diego Public Library Foundation	1,606,613
Planned Parenthood of the Pacific Southwest	1,265,108
Alzheimer's San Diego	863,033
Old Globe Theatre	794,349
University of San Diego	738,484
Francis W. Parker School	637,390
Campanile Foundation	609,589
San Diego Repertory Theatre	293,120
Plaza de Panama Committee	277,000
Nature and Culture International	250,000
San Diego Unified School District	214,529
San Diego Opera Association	204,600
Teach For America	157,500
American Civil Liberties Union Foundation	156,380
San Diego History Center	140,260
San Diego State University Foundation (KPBS)	135,315
Challenged Athletes Foundation	119,270
Citizens Climate Education Corp	100,000
Jacobs & Cushman San Diego Food Bank	86,585
YMCA of San Diego County	82,960
Sanford Burnham Prebys Medical Discovery Institute	78,900
Museum of Photographic Arts	78,592
Serving Seniors	76,800
Junior Achievement of San Diego	76,500
Info Line of San Diego County	76,250
Voices for Children	74,500
Investigative Newsource	72,400
San Diego Humane Society and SPCA	68,300
San Diego Museum of Man	67,500
Reality Changers	62,800
Interfaith Community Services	62,371
Just in Time for Foster Youth	60,300
Library Association of La Jolla - Athenaeum	58,250
San Diego Museum of Art	57,789
San Diego Children's Discovery Museum	57,000
Zoological Society of San Diego	56,456
San Diego Natural History Museum	55,100
Voice of San Diego	54,150
Mainly Mozart Festival	52,950
San Diego Grantmakers	52,569

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

High Tech High Foundation	52,200
Rady Childrens Hospital & Health Center	51,900
Words Alive	51,179
Nine Girls Ask	50,350
J. Craig Venter Institute	50,000
National Conflict Resolution Center	48,710
Rolf Benirschke Legacy Foundation	48,094
National Multiple Sclerosis Society	47,313
Neighborhood House Association	45,300
Matthew and Iris Strauss Family Foundation Inc.	45,000
A Reason to Survive	44,700
Vista Hill Foundation	44,600
Horses of Tir Na Nog	43,500
USO	42,800
Monarch School Project	41,800
Helen Woodward Animal Center	40,930
San Diego Fire Rescue Foundation	40,000
US - Mexico Border Philanthropy Partnership	40,000
La Jolla Country Day School	38,295
Mount Soledad Memorial Association	38,000
Cygnets Theatre Company	37,700
Partnerships With Industry	37,600
San Diego High School Foundation	35,350
San Diego Social Venture Partners Inc.	34,500
San Diego Hunger Coalition	32,480
American Cancer Society	31,008
Kitchens For Good, Inc.	30,000
Sharp Healthcare Foundation	29,535
Gompers Preparatory Academy	28,350
North Coast Repertory Theatre	28,100
Carlsbad Educational Foundation	27,500
Computers 2 SD Kids	26,767
Scripps Health Foundation	26,450
Cowles Mountain Community Foundation	26,000
Kids Included Together-San Diego	25,850
Playwrights Project	25,800
Intelliversity	25,270
Kyoto Symposium Organization	25,000
Special Delivery San Diego	25,000
YMCA - Copley-Price Family Branch	25,000
Century Club of San Diego	24,900
Community HousingWorks	24,750
Malashock Dance & Company	24,600
Support The Enlisted Project (STEP)	22,667
Boys and Girls Clubs of Greater SD	22,600
Feeding America San Diego	22,500
Alpha Project for the Homeless	22,250
Regents of the University of California at San Diego	22,167
United Way of San Diego County	22,150
Access Youth Academy	21,100
Boys and Girls Club of Oceanside	20,500

See independent auditors' report.

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

Year Ended June 30, 2017

Palomar College Foundation	20,000
Vietnam Veterans of San Diego	20,000
WITKIDS Inc.	19,500
Mingei International	19,312
Promises2Kids	19,300
Educational Enrichment Systems Inc.	19,191
Meals on Wheels	18,630
California State University, San Marcos Foundation	18,000
Centro De Salud De La Comunidad De San Ysidro Inc.	18,000
Mama's Kitchen	18,000
Pro Kids Golf Academy, Inc.	16,930
Leahs Pantry Inc	15,750
YMCA	15,600
Christ Church of San Diego	15,300
Outdoor Outreach	15,200
Community Resource Center of Encinitas	15,000
Interfaith Shelter Network	15,000
North County Health Project Inc. (North County Health Services)	15,000
Samuel Lawrence Foundation	15,000
Vista Community Clinic	15,000
Westminster Presbyterian Church	15,000
Photocharity, Doors of Change	14,500
Cystic Fibrosis Foundation	14,223
San Diego Youth Symphony	13,274
Training and Education About the Middle East	13,200
The American Institute of Wine and Food, San Diego Chapter	12,725
San Diego Foundation	12,300
La Jolla High School Foundation	11,600
Youth Tennis San Diego Outreach	11,600
Third Avenue Charitable Organization, Inc.	11,571
Susan G. Komen Breast Cancer Foundation	11,041
Big Brothers Big Sisters of San Diego County	11,000
Emilio Nares Foundation	10,650
American Heart Association	10,600
Home of Guiding Hands Foundation	10,500
Ion Theater	10,450
Catholic Diocese of San Diego	10,200
Coronado Promenade Concerts	10,000
San Diego Hall of Champions	10,000
Soroptimist Foundation	10,000
Charley Hoffman Foundation	8,600
Make A Wish Foundation	8,460
Greater San Diego City Tennis Council	8,350
Reuben H. Fleet Space Theater and Science Center	8,021
Balboa Park Conservancy	8,000
Love Heels Canine Partners	8,000
Autism Tree Project Inc.	7,800
The New Children's Museum of San Diego	7,600
Pershing Middle School Foundation	7,500
Pacific Ridge School	7,350
Mission Edge San Diego	7,000

See independent auditors' report.

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

Year Ended June 30, 2017

PTA California Congress of Parents Teachers & Students Inc	6,960
Special Friends Foundation	6,800
Ocean Discovery Institute	6,728
Friends of Vista Hill Foundation	6,500
Tender Loving Canines Assistance Dogs	6,390
Tierrasanta Lutheran Church	6,300
Ronald McDonald House	6,180
Juvenile Diabetes Research Foundation	6,100
The Arc of San Diego	6,100
A Step Beyond	5,500
Casa Cornelia Legal Services	5,500
The Roustabouts	5,463
San Diego Center for Children	5,400
Pawsitive Teams	5,350
International Rescue Committee	5,275
Jacobs Center for Neighborhood Innovation	5,250
Point Loma High School Pointer Association	5,200
SES Tennis Center	5,100
A New Path	5,000
Accion San Diego	5,000
Central San Diego Black Chamber of Commerce	5,000
Culture Shock Dance Troup Inc.	5,000
Elementary Institute of Science	5,000
Freedom to Live Foundation	5,000
La Jolla Christmas Parade and Holiday Festival Foundation	5,000
Maritime Museum Association of San Diego	5,000
New Americans Museum	5,000
Parent Institute for Quality Education Inc.	5,000
Point Loma Community Presbyterian Church	5,000
San Diego Air and Space Museum	5,000
United Through Reading	5,000
United Women of East Africa	5,000
Other Organizations Under \$5,000	252,677
Total	71,123,814

Other Organizations Outside the County of San Diego:

Cornell University	27,635,360
American Civil Liberties Union Foundation	2,014,675
Massachusetts Institute of Technology	1,011,500
Community Foundation of Southeastern Massachusetts	800,000
Give2Asia	640,000
Johns Hopkins University	502,000
City College Fund	400,000
Adenoid Cystic Carcinoma Research Foundation	350,000
Human Rights Watch	311,100
Ashoka	286,000
Harvard University	218,500
Lang Lang International Music Foundation	197,510
Cedars-Sinai Medical Center	197,167
Via International	178,988
Washington Institute for Near East Policy	155,000

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

Orcas Island Community Foundation	140,000
X Prize Foundation Inc	120,000
Project Concern International	106,950
Trustees of Boston University	105,000
Livestrong Foundation	100,000
Mayo Clinic Rochester	100,000
Oklahoma State University Alumni Association	100,000
Tiger Woods Charity Event Corp.	97,764
Center for Early Education	82,800
Planned Parenthood	73,000
Natural Resources Defense Council	67,900
Protestant Episcopal Cathedral Foundation	67,000
ConnectEd: The California Center for College and Career	59,976
Just Like My Child Foundation	57,500
Heifer Project International	56,200
Trustees of Princeton University	55,000
Archbishop Williams High School	52,500
Duke University	51,250
Harold Robinson Foundation	51,000
New America School	51,000
ProPublica	50,350
University of Rochester	50,180
Acumen Fund	50,000
American Friends of Israel Democracy Institute	50,000
Boston Latin School Association	50,000
Curtis Institute of Music	50,000
International Community Foundation	50,000
Legal Aid Foundation of Los Angeles	50,000
Los Angeles Dodgers Foundation	50,000
Peoples' Self-Help Housing Corp.	50,000
Teach for America	50,000
United Against Illegal Guns Support Fund	50,000
Young Adult Alliance	50,000
Wellesley College	49,617
Cystic Fibrosis Foundation	47,000
University of Southern California	45,150
Southern Poverty Law Center	43,325
Democracy Council	41,114
Because of Hope	40,000
Colgate University	40,000
Resource Generation	40,000
Campbell Hall Episcopal	36,400
San Francisco University High School	36,000
University of Arizona Foundation	36,000
FJC - A Foundation of Philanthropic Funds	35,500
California Council on Science and Technology	35,000
Center for American Progress	35,000
San Francisco Foundation	35,000
Trustees of the University of Pennsylvania	33,900
Stanford University	32,587
City School Inc.	30,000

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

Friends of the Borrego Springs Library	30,000
University of Miami	30,000
Columbia University	25,600
Doctors Without Borders USA INC	25,375
ALIA	25,000
Aruna Partnership, Inc.	25,000
Bella Abzug Leadership Institute	25,000
Brigham Young University	25,000
Coaching Corps	25,000
Cyber Civil Rights Initiative	25,000
Family Violence Appellate Project	25,000
For Inspiration and Recognition of Science and Technology (FIRST)	25,000
Foundation for the Defense of Democracies Inc.	25,000
Heart of Los Angeles Youth	25,000
IEEE Foundation	25,000
Institute of International Education	25,000
Inter-American Dialogue	25,000
Room to Read	25,000
Museum of Contemporary Art	24,285
Community Computer Connection Inc.	24,000
UC Berkeley Foundation	23,680
Cooperative for Assistance and Relief Everywhere Inc - CARE	21,150
American Diabetes Association	21,005
Union of Concerned Scientists	20,660
Physicians Committee for Responsible Medicine	20,100
Yale University	20,100
Zeta Beta Tau Foundation	20,100
Ann Arbor Area Community Foundation	20,000
Celiac Disease Foundation	20,000
Tostan, Inc.	20,000
Larkin Street Youth Services	19,000
Marwen Foundation	18,500
BeadForLife	16,700
Research + Evaluation = Promoting Organizational Responsibility and Transparency (REPORT Operation Respect	15,250
Brady Center to Prevent Gun Violence	15,200
Museum of Mathematics	15,118
American Academy of Arts & Sciences	15,052
California Institute of Technology	15,000
Center for Educational Excellence in Alternative Settings	15,000
Clarion Fund	15,000
Goodcity	15,000
Illinois Association of Chiefs of Police Foundation	15,000
Institute for Energy Economics and Financial Analysis	15,000
RefugeeOne	15,000
Taft School Corporation	15,000
Tectonic Theater Project Inc.	15,000
Texas Christian University	15,000
Bonobo Project	14,750
eWomenNetwork Foundation Inc	14,268
Southampton Animal Shelter Foundation	13,500

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

Defy Ventures	13,100
City of Hope	12,730
Humane League	12,200
Helping Herders Rescue	12,000
Asteroidea Health Alliance	11,692
Middle East Media and Research Institute Inc.	11,530
Northwestern University	11,100
Environmental Defense Fund Incorporated	11,050
Women Against Gun Violence	10,750
St. Jude Children's Research Hospital	10,630
NAACP Legal Defense and Educational Fund	10,625
Wikimedia Foundation, Inc.	10,625
Evanston/Skokie School District 65	10,585
Tides Center	10,390
Feeding America	10,260
Prager University Foundation	10,250
Braille Institute of America	10,200
Parents and Friends of Lesbians and Gays	10,200
Mathematical Sciences Research Institute	10,082
Academy of Urban Learning	10,000
Bas Bleu Theatre Company	10,000
Bay Street Theatre Festival	10,000
California Charter Schools Consortium	10,000
Corporate Accountability International	10,000
Cottage 1886 Foundation	10,000
Drexel University	10,000
Future Foundation of Sacramento	10,000
Immaterial Incorporated	10,000
International Humanity Foundation	10,000
Lawfare Project	10,000
Maui Memorial Medical Center Foundation	10,000
Mexican American Legal Defense and Educational Fund	10,000
Miami Dade College Foundation Inc.	10,000
Pacific Council on International Policy	10,000
Peaceworks Network Foundation	10,000
Project Sleep	10,000
Sacramento Kings Foundation	10,000
Sanitation and Health Rights in India	10,000
SCGA Foundation	10,000
Stand by the Wounded	10,000
United States Naval Academy Foundation Inc.	10,000
United States Ski Team Foundation	10,000
University of Nevada Las Vegas Foundation	10,000
Unreasonable Institute	10,000
Urban Justice Center	10,000
V Foundation	10,000
Wellness Foundation	10,000
Women's Foundation of California	9,900
Evanston Township High School District 202 Educ Foundation	9,800
International Rescue Committee	8,700
National Psoriasis Foundation	8,500

See independent auditors' report.

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Charitable Distributions to Organizations, continued**Year Ended June 30, 2017

Regents of the University of California at Berkeley	8,500
IsraAID (US) Global Humanitarian Assistance, Inc	8,018
Audre Lorde Project	8,000
David Horowitz Freedom Center	8,000
Turning Point USA	8,000
Villa Esperanza Services	8,000
Philadelphia College of Osteopathic Medicine Foundation	7,908
Guide Dogs for the Blind Inc.	7,800
Aspen Swim Club	7,500
Bear Hug Foundation	7,500
Friends of the Los Angeles River	7,500
Supreme Court Historical Society	7,500
San Diego Police Officers Association Charitable Fund	7,100
University of Michigan	7,000
USTA Foundation	7,000
UNICEF	6,850
UCLA Foundation	6,800
California Food Policy Advocates Inc.	6,500
UCLA Law School Foundation	6,500
YMCA of Greater Seattle	6,400
Shepherds Canyon Retreat	6,300
Appalachian Voices	6,000
Farm to Consumer Legal Defense Fund Foundation	6,000
Metta Earth Institute	6,000
Middle East Forum	6,000
Southern Environmental Law Center	6,000
Colorado College	5,780
Youth Philharmonic Orchestra	5,500
New York University	5,460
Compassion and Choices	5,350
Sierra Club Foundation	5,100
American Philosophical Society	5,000
Asia Society	5,000
Black Organizing Project	5,000
Camp Sunshine	5,000
Carlthorp School	5,000
Environmental Integrity Project	5,000
Eunime	5,000
Foundation for National Progress	5,000
Franklin Institute	5,000
Gay and Lesbian Leadership Institute	5,000
Green Planet Films Inc	5,000
Iraq and Afghanistan Veterans of America	5,000
Italian Scientists and Scholars in North America Foundation	5,000
Jackson Hole Land Trust	5,000
LA Family Housing Corporation	5,000
Lakewood Church	5,000
Loomis Institute	5,000
Mount Gretna School of Art	5,000
National Academy of Engineering	5,000
National Alliance on Mental Illness Utah	5,000

See independent auditors' report.

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

Year Ended June 30, 2017

Navy Seal Foundation	5,000
New Directions for Veterans	5,000
News Literacy Project Inc.	5,000
Ozone House Inc	5,000
Pomona College	5,000
Robert W. Woodruff Arts Center	5,000
Rwanda Girls Initiative	5,000
Saddleback Church	5,000
San Francisco Jewish Film Festival	5,000
Springboard Collaborative	5,000
The TLC Foundation for Body-Focused Repetitive Behaviors	5,000
Thousand Smiles Foundation	5,000
United States Artists Inc	5,000
YMCA of Southern Maine	5,000
Other Organizations Under \$5,000	463,952
Total	<u>40,245,873</u>
Total Distributions	<u>\$ 164,879,728</u>

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO**Schedule of Consolidated Operating Expenses Within the Operating Fund**

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Salaries and employee benefits	\$ 1,796,401	\$ 1,709,601
Information technology	421,161	402,407
Consulting	166,504	103,555
Advertising and promotion	107,719	32,001
Events	104,740	65,853
Occupancy	104,433	101,501
Accounting	94,725	67,000
Other	27,598	25,362
Insurance	72,536	57,727
Legal	61,042	48,412
Office	57,623	80,183
Depreciation	24,320	24,320
Travel	19,473	10,302
Donor recognition	5,124	3,698
Conferences, conventions, and meetings	1,260	2,988
Taxes	301	-
	<u>3,064,960</u>	<u>2,734,910</u>
Total Operating Expenses	\$ <u>3,064,960</u>	\$ <u>2,734,910</u>