

The California Community Foundation (CCF) inspires and empowers charitable giving in Los Angeles.

Almost a century of expertise, combined with an understanding of your personal giving goals, enables us to help you drive change through your philanthropy.

We provide a broad choice of tax-advantaged giving options that can benefit a range of charitable organizations. Backed by a robust suite of support services, we create solutions that maximize the impact of your giving.

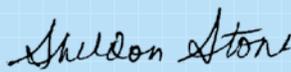
Together, we can continue to build the future of Los Angeles and beyond.

We want to begin our financial report for fiscal year 2010-2011 by expressing our sincere appreciation to the many people who contributed to our financial strength during our 96th year of continuous service to communities of Los Angeles County. In particular, we need to acknowledge the audit and investment committees of the board and the finance staff of the community foundation.

It was not an easy year, but we stayed true to our mission and managed to meet almost all of our objectives. We sustained our long-term perspective and preserved our assets. To do that, we had strong, expert governance and a sound strategic approach in place.

We cut operating expenses at the same time that we were able to attract nearly \$107 million in new contributions. Although this amount was less than in previous years, we maintained our grantmaking. Overall, we were able to distribute nearly \$118 million for the most vulnerable in L.A. County and end the year with \$1.2 billion in assets.

Those assets are evidence of the trust and support of constituents, past and present. We thank you for being among them.



Sheldon Stone
Board Chair




Antonia Hernández
President and Chief Executive Officer



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A Focused Look at our Financial Strength

The long and rich heritage of the California Community Foundation guides our role as stewards and guardians of donor assets and charitable intent. We consider it our responsibility to maintain efficiency and stability, even when the world around us is anything but predictable. Moreover, we strive always to balance our commitment to helping communities and people in need now with sustaining and supporting Los Angeles over the long term.

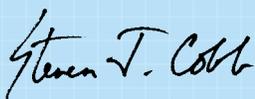
To reflect on our 2010-2011 fiscal year and share our progress with you, we present this overview of our financial picture as a complement to our annual report. Inside, we provide a focused look at our balance sheet, investments and grants.

Three things stand out:

1. CCF weathered a turbulent year successfully because of a long-term perspective, a diverse investment portfolio, smart fiscal management, investment oversight and quality governance.
2. Needs in communities of L.A. remain very high—for individuals, families, nonprofits and communities. Our donors and staff remain committed to leveraging resources and making smart decisions to make every dollar count.
3. By sticking to high standards and long-term strategies, CCF remains well-positioned to grow and give for future generations, just as we have since 1915.

We are very grateful to our board members, financial management partners, dedicated staff and generous donors.

We hope that you will share your questions and feedback with us, as we continue to fulfill our promise of transparency and accountability to all of our constituents.



Steve Cobb
Vice President
and Chief
Financial Officer



Carolyn Steffen
Controller



CCF INVESTMENT POOLS: ONE PART OF OUR FINANCIAL MODEL

When donors establish funds, they recommend that contributions be allocated to one of the following pools.

PERMANENT POOL:
Invested for long-term growth and appreciation across multiple investment managers.

SHORT-TERM LIQUIDITY POOL:
Invested to meet the needs of funds with short-term objectives or goals.

SOCIALLY-RESPONSIBLE POOL:
Invested in mutual funds with multiple social screens and a long-term objective.

Overview of Assets by Fund Type

Total assets as of June 30, 2011, were \$1.24 billion, an 11 percent increase over the previous year's total of \$1.12 billion. This increase can be attributed to the careful management of CCF's investments, as well as conservative spending. Contributions to CCF were lower than the previous year, accounting for nearly \$107 million.

CCF Board Discretionary assets—funds contributed by past and current donors that CCF uses for those purposes we determine are the most important for the benefit of Los Angeles County—account for 37 percent of total assets. Discretionary grants are recommended by staff and approved by the board.

Dollars in Donor Advised Funds—funds and foundations established by donors to fulfill their philanthropic goals—make up 33 percent of all assets. Private Foundation Alternatives (also known as supporting organizations), effective options for those who wish to retain a separate identity and mission from that of CCF, constitute nearly \$100 million. Scholarships remain an important part of CCF's work, with more than \$84 million in assets.

Six percent of all assets are for Restricted Funds, or contributions that are designated by the donor for use at a specific organization of his/her choice, often through a legacy or bequest.

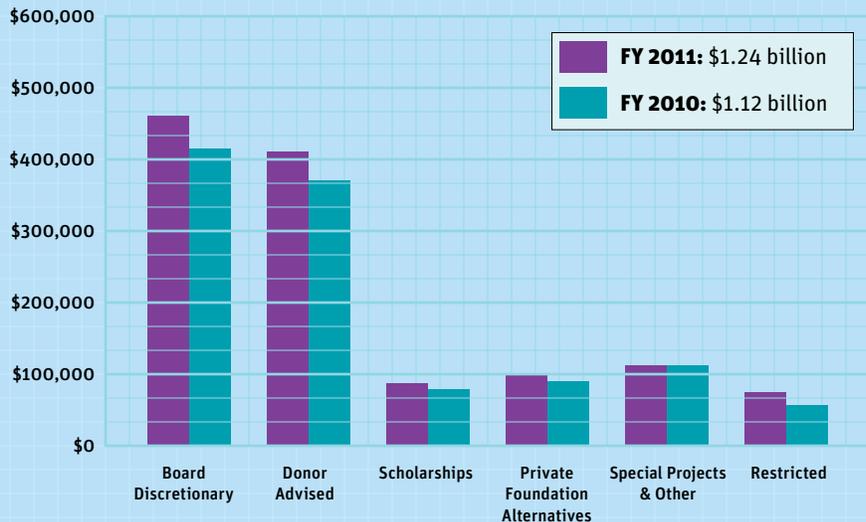
“Special Projects and Other” assets include regional affiliates, trusts, community benefit funds and charitable gift annuities.

CCF's assets include investments of all types, including gifts of illiquid assets like real estate, partial business interests and closely-held stock that CCF liquidates at the earliest reasonable opportunity. These assets are increasingly popular as donors get creative about sources of funding for philanthropy.

TOTAL ASSETS AS OF JUNE 30, 2011, WERE \$1.24 BILLION, AN 11 PERCENT INCREASE OVER THE PREVIOUS YEAR'S TOTAL OF \$1.12 BILLION.

SUMMARY OF ASSETS

(in thousands)

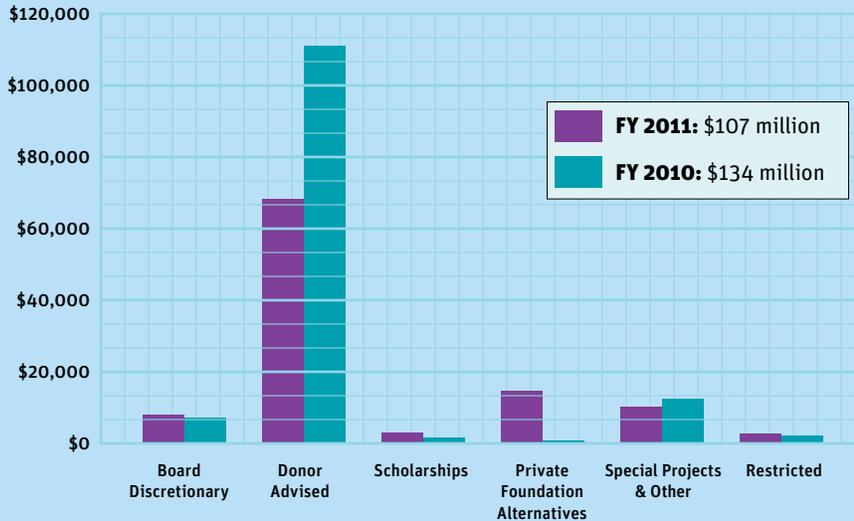


Overview of Contributions Received by Fund Type

CCF received \$107 million in contributions from donors this year, with 64 percent of that total going to Donor Advised Funds and 7 percent to CCF's Board Discretionary funds to support the future of Los Angeles. Contributions were down 20 percent compared to last year, reflective of the challenging economic times the community faced.

SUMMARY OF CONTRIBUTIONS

(in thousands)



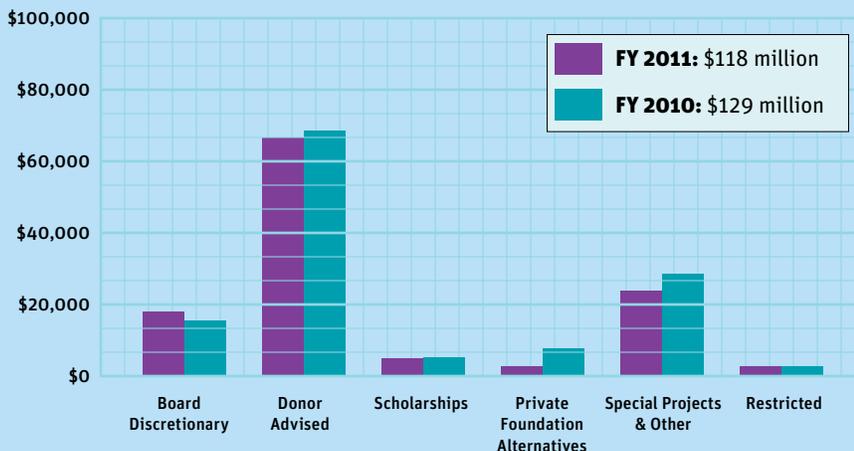
CCF RECEIVED \$107 MILLION IN CONTRIBUTIONS FROM DONORS THIS YEAR.

Overview of Grants by Fund Type

This year's grants reflected the ongoing generosity and commitment of CCF and our donors in a tough economic environment. In all, CCF granted \$118 million in FY2011, compared to \$129 million the year before. Thanks to the commitment of CCF's board of directors, Board Discretionary grants even increased to nearly \$18 million, while grants from donor advised funds declined just slightly to \$66 million.

SUMMARY OF GRANTS

(in thousands)



THIS YEAR'S GRANTS REFLECTED THE ONGOING GENEROSITY AND COMMITMENT OF CCF AND OUR DONORS IN A TOUGH ECONOMIC ENVIRONMENT.

I am pleased to present these financial statements, a reflection of CCF's high standards of transparency, fairness and accuracy. The audit committee, which meets several times during the year, helps CCF keep its promise to donors and to Los Angeles County through rigorous financial controls.

We were gratified to work with our professional independent auditors, KPMG, again this year. While the California Community Foundation is a complex organization in terms of financial management, together with KPMG, the experts on the audit committee and CCF's dedicated staff, we provide a very high standard of financial management.

The data provided here is derived from CCF's audited statements, which can be found online at calfund.org/audit.



David W. Fleming
Audit Committee Chair and
Board Member

David W. Fleming has been counsel to Latham & Watkins LLP since 1992.

Balance Sheets

CALIFORNIA COMMUNITY FOUNDATION AND AFFILIATES

Consolidated Balance Sheets*—As of June 30 (in thousands \$)

ASSETS	2011	2010
Cash and cash equivalents	15,073	17,911
Investments	1,168,994	1,020,022
Investments loaned under securities lending program		4,408
Investment collateral received under securities lending program		4,536
Notes receivable	3,665	6,455
Contributions receivable, net	20,635	36,535
Prepaid expenses and other assets	1,218	1,970
Beneficial interest in trusts	31,912	28,499
Leasehold improvements and equipment, net	905	187
TOTAL ASSETS	1,242,402	1,120,523
LIABILITIES AND NET ASSETS		
Accounts payable and other liabilities	12,845	12,865
Funds held for others	55,454	57,250
Grants payable, net	35,652	48,091
Note payable and line of credit	3,000	2,000
Liabilities under split-interest agreements	19,573	19,471
Payable under securities lending program		4,536
TOTAL LIABILITIES	126,524	144,213
TOTAL NET ASSETS	1,115,878	976,310
TOTAL LIABILITIES AND NET ASSETS	1,242,402	1,120,523

Income Statements

CALIFORNIA COMMUNITY FOUNDATION AND AFFILIATES

Consolidated Income Statements*—FY ended June 30 (in thousands \$)

	2011	2010
Support and revenue:		
Support:		
Amounts raised	106,597	134,004
Less amounts raised or received on behalf of others	(9,448)	(6,328)
Net contributions and bequests raised	97,149	127,676
Other revenue:		
Interest, dividends and other revenue	23,297	22,380
Realized and unrealized gains and losses on investments, net	141,501	72,563
Change in value of split-interest agreements	2,821	5,291
Other revenue before allocation of investment gain	167,619	100,234
Less investment gain allocated to funds held for others	(9,203)	(5,453)
Net other revenue	158,416	94,781
Total support and revenue and net assets released from restrictions	255,565	222,457
Expenses:		
Program Services:		
Grants and philanthropic distributions	117,608	129,207
Less amounts distributed on behalf of others	(19,812)	(9,061)
Total grants and philanthropic distributions	97,796	120,146
Program services expense	10,718	10,350
Less program services expenses allocated to funds held for others	(451)	(502)
Total grants, philanthropic distributions and program services	108,063	129,994
Support Services:		
Management and general administrative	3,147	2,337
Development and fundraising	1,518	1,418
Investment management fees	3,454	3,477
Less administrative expenses and investment management fees allocated to funds held for others	(185)	(196)
Total support services	7,934	7,036
TOTAL EXPENSES	115,997	137,030
Change in net assets	139,568	85,427
NET ASSETS AT BEGINNING OF YEAR	976,310	890,883
NET ASSETS AT END OF YEAR	1,115,878	976,310

In a year of needs and financial challenges in the Los Angeles region, contributions were down from the previous year, but still substantial.

CCF's primary investment pool returned nearly 20 percent on the year, accounting for significant gains in CCF's assets overall.

CCF expended more than \$128 million in grants and program service related expenses.

CCF maintains its general administrative and other support services costs at less than 0.7 percent of total assets.

*The California Community Foundation works with an independent public accounting firm to perform an audit of its records and financial statements. A full copy of the audited financial statements is available online at calfund.org/audit or by calling (213) 413-4130. The above abbreviated financial reports are unaudited.

CCF's Investment Pools and Strategy

Expert leadership through the investment committee, staff and long-term financial partners, including Cambridge Associates and the foundation's many external investment managers, allow CCF to weather unpredictable times such as these and make prudent decisions now for the long term, resulting in modest out-performance of our targets and benchmarks.

Investments in three major pools reflect the grantmaking needs of CCF's funds and foundations: the Permanent Pool, the Short-Term Liquidity Pool and the Socially-Responsible Pool.

With an eye on long-term fiduciary responsibility and maintaining purchasing power to keep pace with inflation, CCF carefully balances opportunities and risks in our investment management. Alternative investments are an important component of our asset allocation, and an area in which CCF has focused more attention and increased allocations in recent years.

During a time when market fluctuations are commonplace and unpredictable, marketable alternatives are an especially viable option for CCF to help reduce exposure to market volatility.

CCF's time horizon extends beyond normal market cycles. At the same time, CCF seeks to outpace its benchmarks, and was gratified this fiscal year to achieve that goal.

THE INVESTMENT COMMITTEE: INVOLVED AND INFORMED

The Investment Committee at CCF is remarkable for the dedication, expertise and breadth of knowledge its members bring to our governance responsibility.

Collectively, we have decades of experience in financial and investment management, and we are deeply dedicated to the mission and permanency of this organization.

Every member of the Investment Committee has a long-term perspective, and no one panics when the market fluctuates. In the face of market volatility, we all know that CCF will outlast the turbulence. That's what we plan for.

There's a high degree of diversification in our portfolio. One important differentiator is the committee's work over the last few years to adjust the balance of CCF's permanent pool allocations, providing us with more alternatives to traditional equities or fixed income. Marketable alternatives are one way for us to do that.

I work with marketable alternatives quite a bit in my business. Together with the entire committee and the consultation services of Cambridge Associates, we identify best-in-class managers to help us implement a robust, adaptable, complementary program that will see us through to the long term.

That's just one of the many ways that the Investment Committee sticks to the strategic principles of our governance, while seeking areas for improvement and adaptation in today's markets.



Preston L.C. Johnson
Investment Committee Chair
and Board Member

Preston L.C. Johnson
is President and Founder of
Johnson Martin Advisors, Inc.

Investment Management: Maintaining a Long-Term Perspective

All three investment pools of CCF experienced relative outperformance over their benchmarks for the 12 months ending June 30, 2011. The Permanent Pool outperformed the total fund benchmark in time periods for one year and greater. The Pool slightly underperformed the Cambridge Associates Endowment Median for the 12 months ending June 30, 2011, but outperformed this universe in the three- and five-year annualized holding periods. Both the Short-Term Liquidity Pool and the Socially-Responsible Pool outpaced their benchmarks for the fiscal year ending June 30, 2011.

* Total Fund Benchmark is a combination of: 22.5% Russell 3000, which provides a benchmark for our U.S. equity allocation; 27.5% Morgan Stanley Capital International All Countries World Index, excluding the U.S., which provides a benchmark for our non-U.S. equity allocation; 20% Hedge Fund Research, Inc. (HFRI) Fund of Funds Diversified, which provides a benchmark for our alternative investments allocation; 10% Consumer Price Index (CPI-U), which provides a benchmark for our inflation hedge allocation; 5% Barclays Capital Long-Term Government Bond Index (GBI); 5% Barclays Capital Intermediate-Term GBI; 5% Barclays Capital Aggregate Bond Index; 5% Citi Non-U.S. Dollar GBI, which provides a benchmark for our fixed-income allocation.

** The Cambridge Associates Endowment Median is a Cambridge Associates performance benchmark compiled from a universe of client endowment portfolios.

* In April 2009 CCF moved from the Domini fund to the PAX World Balanced Fund. The 60/40 index applies to periods after the move.

INVESTMENT PERFORMANCE

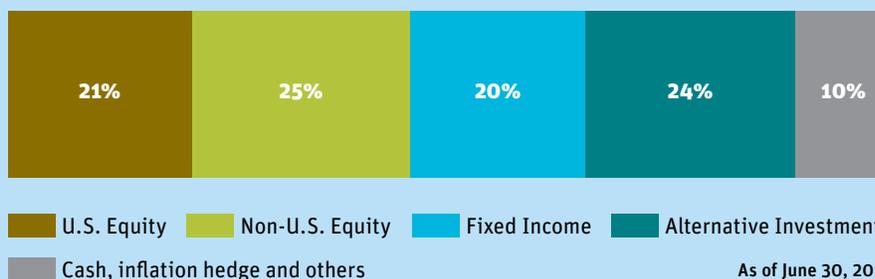
As of June 30, 2011

	One Year	Three Year	Five Year
Permanent Pool	19.53%	3.50%	5.25%
The target asset allocation was 50 percent equities, 30 percent alternative investments and 20 percent fixed-income instruments.			
Total Fund Benchmark*	18.41%	3.12%	5.00%
Cambridge Associates Endowment Median**	19.62%	2.79%	4.96%
	One Year	Three Year	Five Year
Short-Term Liquidity Pool	0.55%	1.16%	2.68%
Holdings include money market, commercial paper and short-term bonds with a goal of preserving principal and generating income.			
Merrill Lynch 91-Day T-Bills	0.16%	0.42%	2.00%
	One Year	Three Year	Five Year
Socially-Responsible Pool	27.79%	5.39%	4.26%
The target asset allocation was approximately 70 percent equities and 30 percent fixed-income instruments.			
60% S&P 500 + 40% BCAB*	19.58%	3.67%	3.71%
	One Year	Three Year	Five Year
S&P 500 Index	30.69%	3.34%	2.94%

Permanent Pool Asset Allocation

The asset allocation for the Permanent Pool is designed to meet the primary investment objective of earning an average annual return sufficient to meet the foundation's spending policy over the long term. It is designed to offer donors diversification and exposure to a balance of asset classes.

PERMANENT POOL ASSET ALLOCATION

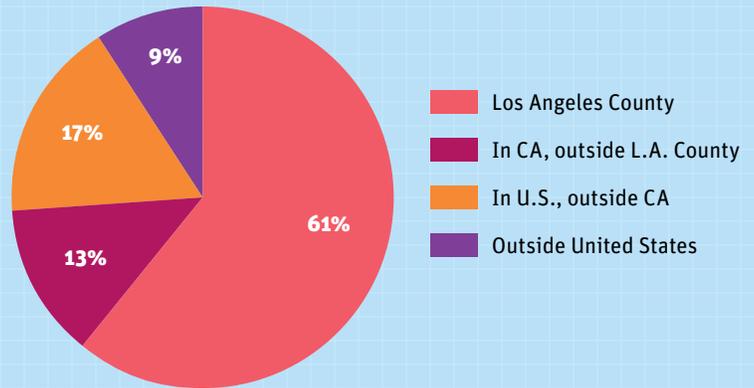


Grants in L.A. and Around the World

OVERVIEW OF FY2011 GRANTS

CCF focuses its grantmaking in Los Angeles, but by no means is it limited to the region. Together with our donors, the community foundation's footprint is local, national and global.

The chart here represents CCF's overall grantmaking including donor advised and discretionary grants. It does not include grants on behalf of affiliate organizations and agency endowment funds.



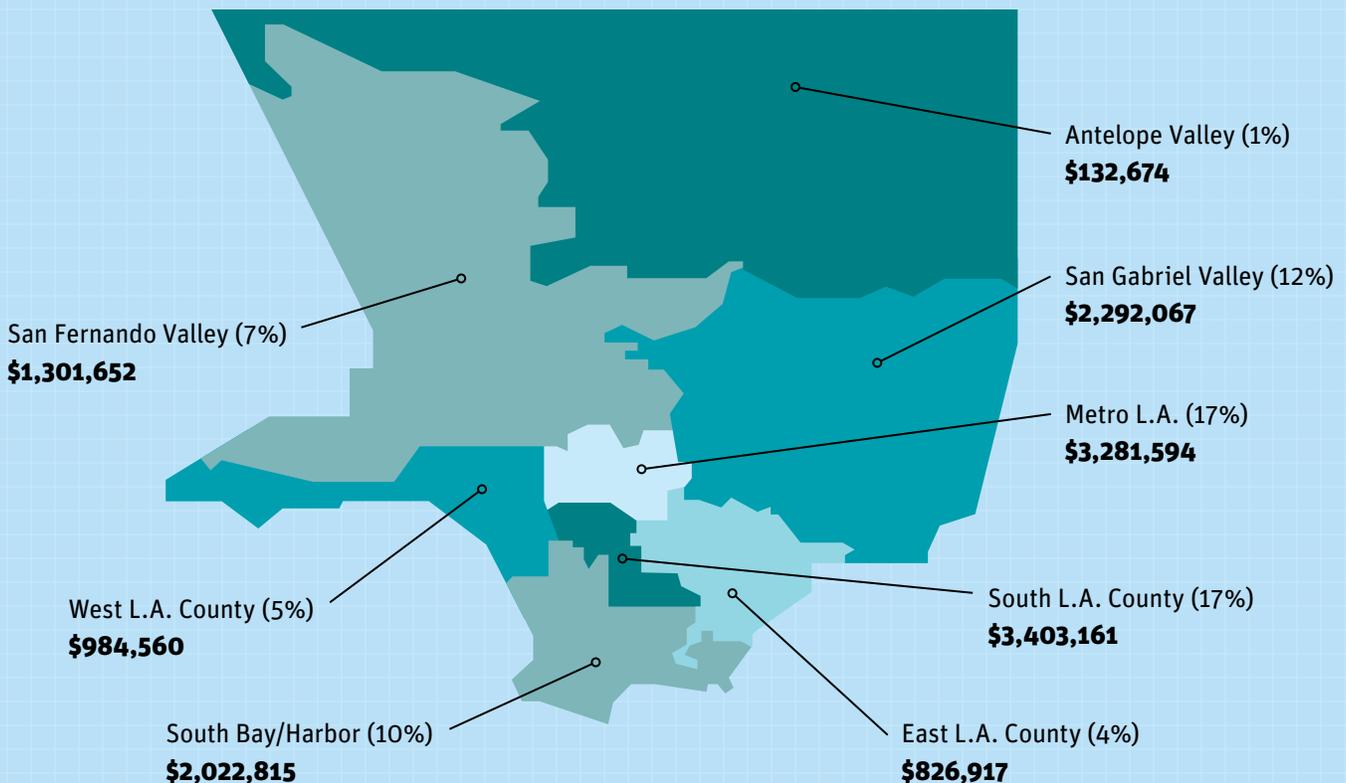
GEOGRAPHICAL DISTRIBUTION OF CORE GRANTS IN L.A. COUNTY

Nearly \$20 million was distributed in the form of discretionary grants in five core program areas—arts, health care, education, human development and housing and neighborhoods—as well as in civic engagement initiatives, the El Monte Community Building Initiative, Centinela Medical Funds and special projects that included major disaster relief.

Below is a geographic disbursement of these grants, not including select special projects.

Los Angeles County-wide (25%)
\$4,900,146

Outside Los Angeles (2%)
\$458,850



Key Staff and Board Members

Sheldon M. Stone

Board Chair

Sheldon M. Stone is a founding member of Oaktree Capital Management, a Los Angeles-based institutional money manager specializing in alternative investment strategies. He manages the firm's \$10 billion domestic high yield bond portfolios and supervises its European high yield bond activities and Mezzanine Fund. Before forming Oaktree, he helped establish The TCW Group's high yield bond department in 1985 and ran it for 10 years. He is on advisory boards for the USC Marshall School Center for Investment Studies and Johns Hopkins University's Center for Talented Youth. Stone holds a bachelor's degree from Bowdoin College, where he is a trustee, and a master's in business administration from Columbia University.

David W. Fleming

Chair of the Audit Committee and Board Member

David W. Fleming has been a member of the California State Bar since receiving his law degree from UCLA in 1959, and counsel to the law firm of Latham & Watkins since 1992, during which time he has represented clients in banking, estate and securities practices, and real estate. His extensive public service and community involvement includes having spearheaded a successful new charter for the City of L.A. that was adopted in 1999 and the creation of the Los Angeles County Business Federation in 2008. He has served on numerous county and city commissions and boards, including ethics, human relations, business licensing and judicial procedures. He is a trustee of the James Madison Foundation and the Reason Foundation, board chairman of Valley Presbyterian Hospital, vice-chair of the Children's Planning Council of Los Angeles County, and Executive Committee member of the Los Angeles Economic Development Corporation (LAEDC), among other private, public and nonprofit sector organizations.

Preston L.C. Johnson

Chair of the Investment Committee and Board Member

Preston L.C. Johnson is the president and founder of Johnson Martin Advisors, Inc., a Beverly Hills-based investment management firm servicing high net worth clients. Before starting the firm in 1992, Johnson held various corporate positions in finance including vice-president of finance of KB Home (NYSE) in Los Angeles; managing director and chief financial officer of The O'Connor Group in New York City, a real estate investment partnership; and senior vice president and CFO of Santa Fe International Corporation, a Los Angeles-based diversified energy company. Johnson received a bachelor's degree from Princeton University and master's in business administration from The University of Chicago, where he was honored with The Wall Street Journal Award for Excellence in Finance. He currently serves on the board of governors and the investment committee of the UCLA Foundation.

Antonia Hernández

President and CEO

Antonia Hernández is a nationally regarded figure whose career has spanned three decades in social justice, expertise in philanthropy and the nonprofit sector, and a lifelong devotion to underserved communities. She joined CCF in 2004 as president and CEO after serving as president and general counsel of the Mexican American Legal Defense and Educational Fund (MALDEF), from 1981-2003. She is a member of the boards of the Council of Foundations, Center for Budget and Policy Priorities, Blue Shield Foundation, JFK Profile in Courage Awards, the American Automobile Club Association and UCLA Board of Advisors, among others. Hernández earned her bachelor's degree in history at the University of California, Los Angeles and a Juris Doctor at the UCLA School of Law.

Steven J. Cobb

Vice President and Chief Financial Officer

Steve Cobb oversees the foundation's investment management, financial reporting and cash management activities. Before joining CCF in 1998, Cobb was the chief financial officer for the Milken Family Foundation, a leading Southern California private foundation, and the Weingart Center, a comprehensive health and human services complex in Los Angeles's Skid Row. He was also an auditor with Ernst & Young and an assistant controller for the Ticor Title Insurance Company of California. A certified public accountant, Cobb is a graduate of the California Polytechnic State University, San Luis Obispo, Ventura College and The UCLA Anderson School of Management. In 2010, he was named Nonprofit CFO of the Year by the Los Angeles Business Journal.

Carolyn Steffen

Controller

Carolyn Steffen oversees the operational and financial reporting aspects of the foundation. Before joining CCF in 2008, she was vice president of finance for the United Way of Greater Los Angeles and was the controller for Manatt, Phelps & Phillips, a national law firm. She has also worked for KPMG in Los Angeles, Australia and the United Kingdom, providing financial audit and accounting services to for-profit and nonprofit organizations. Steffen is a certified public accountant, and holds a bachelor's degree in business from California State University, Long Beach and a master's in commerce from the University of New South Wales.

BOARD OF DIRECTORS

CHAIR

Sheldon Stone

CHAIR EMERITUS

Reveta Bowers

PRESIDENT & CEO

Antonia Hernández

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Jean Bixby Smith

Melanie Staggs

Cynthia A. Telles, Ph.D.

Catherine L. Unger

Tom Unterman

Sonia Marie De León de Vega

Ronald T. Vera

GENERAL COUNSEL

William C. Choi

Rodriguez, Horii, Choi &

Cafferata, LLP



Important Legal Disclosures

The California Community Foundation works with an independent public accounting firm to perform an audit of its financial statements. A full copy of the audited financial statements is available online at calfund.org or by calling (213) 413-4130. The abbreviated financial reports provided here are unaudited.

The information provided is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice. The California Community Foundation does not provide legal or tax advice. Your particular circumstances may alter the general information provided above, resulting in a different outcome for you. Consequently, you should consult your tax advisor to properly determine the tax consequences of making a charitable gift to the California Community Foundation.

Contributions to the California Community Foundation represent irrevocable gifts subject to the legal and fiduciary control of the foundation's board of directors.

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