

“One wave changed my life.”

— Giovanni Douresseau

Volunteer, Youth Mentoring Connection

LAND of **DREAMS**

LOS ANGELES COUNTY



“CCF’s simple, tailored solutions let my clients focus on making an impact on the causes they care about most.”

— Joellen Wheeler, Financial Advisor

Joellen Wheeler’s long-time clients were overwhelmed by their private foundation. Although they felt wonderful making gifts, the time and expense spent on operational tasks prevented them from doing other things they loved. Her clients sought a way to continue making an impact without the obligation of handling administrative tasks and regulatory requirements. That’s when Wheeler recommended the California Community Foundation. By terminating their private foundation and transferring the assets into a Donor Advised Fund, her clients offloaded the operational responsibilities to CCF while keeping the ability to make gifts and retaining Wheeler to manage the fund’s investments through CCF’s **Charitable Asset Management Program (ChAMP)**.

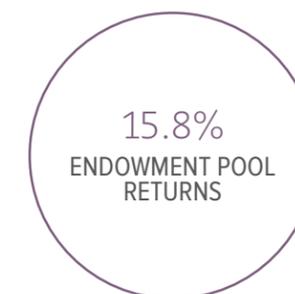
CCF works closely with a wide range of professional advisors, including financial advisors, accountants, business managers, family offices and attorneys. We specialize in creating a full spectrum of customized solutions, from handling complex assets, to integrating family members into charitable giving models and helping clients maximize the tax benefits of their financial contributions. To CPA Dede Robbins, it’s this combination of expertise and service that makes CCF a valuable partner. “There are so many layers to a philanthropic decision—from the immediate tax implications to the client’s legacy in perpetuity,” Robbins said. “CCF’s deep understanding of the issues and options surrounding

charitable giving allows them to create a plan tailored to a client’s specific needs.”

To Joellen Wheeler’s clients, these qualities made all the difference. “CCF worked with me to provide a simple and effective philanthropic solution,” Wheeler said. No longer burdened by administrative hassles, her clients are free to focus on realizing their vision for a better world.

CCF Advisor Services:

- Access to our team of technical experts in charitable giving
- A full range of services for clients, including:
 - Nonprofit research
 - Site visits with charities and community leaders
 - Establishing giving plans tailored to client goals
 - Facilitating family philanthropy
- Option for clients to recommend their own investment advisor under the ChAMP program
- General and customized continuing education opportunities



2013-2014 Financial Report

MESSAGE FROM THE CFO

California Community Foundation’s financial position is robust. As of June 30, 2014, our total assets exceeded \$1.4 billion. Contributions during the fiscal year ended June 30, 2014 were in excess of \$126 million. For that same year, investment activity added just under \$173 million to assets. Most importantly, we granted more than \$162 million in much-needed support to nonprofits in Los Angeles County and beyond.

All of this is a team effort. Our generous donors, dedicated volunteers and professional partners contribute financial resources, time and skills as part of a complete fiscal management program. CCF works directly with donors and through legal and financial advisors to establish new funds and facilitate contributions. Our board and other volunteers meet regularly to oversee and monitor financial activities. Finally, our banking and investment management partners are experienced and professional.

One important aspect of our financial management is board oversight. Three separate board committees focus on financial activities. Our Budget and Development Committee ensures that we maintain efficient operations and keeps an eye on long-term financial health. Our Investment Committee continually monitors capital markets, investment policies, asset allocation and outside investment managers. Lastly, our Audit Committee verifies that we report our financial activities accurately and in a timely manner.

We’re grateful to all the individuals and groups referenced above. In particular, we’re grateful to our donors for entrusting us with their charitable dollars. We encourage you to contact us with any questions or comments about our financial activities.

Steven J. Cobb
CFO

CCF's total assets as of June 30, 2014 were \$1.42 billion, an all-time high

OVERVIEW OF ASSETS STEWARDED BY CALIFORNIA COMMUNITY FOUNDATION

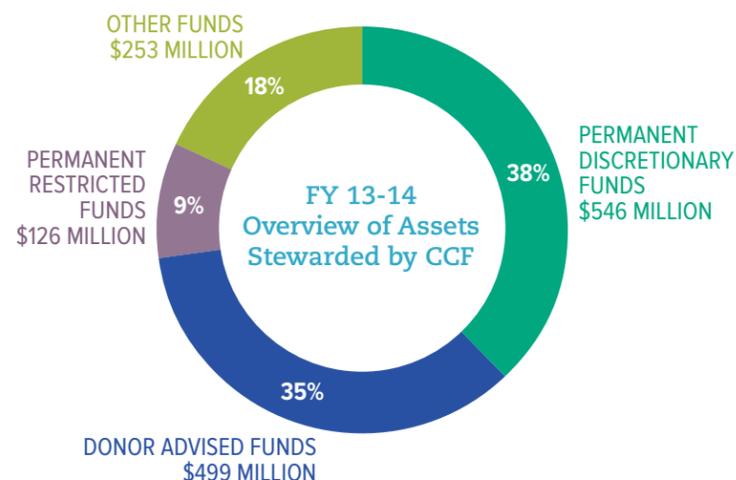
Strong fundraising and investments led to a \$109 million increase in assets from June 30, 2013. Our asset portfolio is divided into four categories that reflect the many types of partnerships between CCF and our donors: Permanent Discretionary Funds, Donor Advised Funds, Permanent Restricted Funds and Other Funds.

Permanent Discretionary Funds are permanent gifts entrusted to CCF by individuals, families and organizations who understand the flexibility offered by unrestricted gifts. They allow CCF to adapt grantmaking to the evolving needs of Los Angeles for generations to come. These assets represent \$546 million, or 38 percent of our total assets.

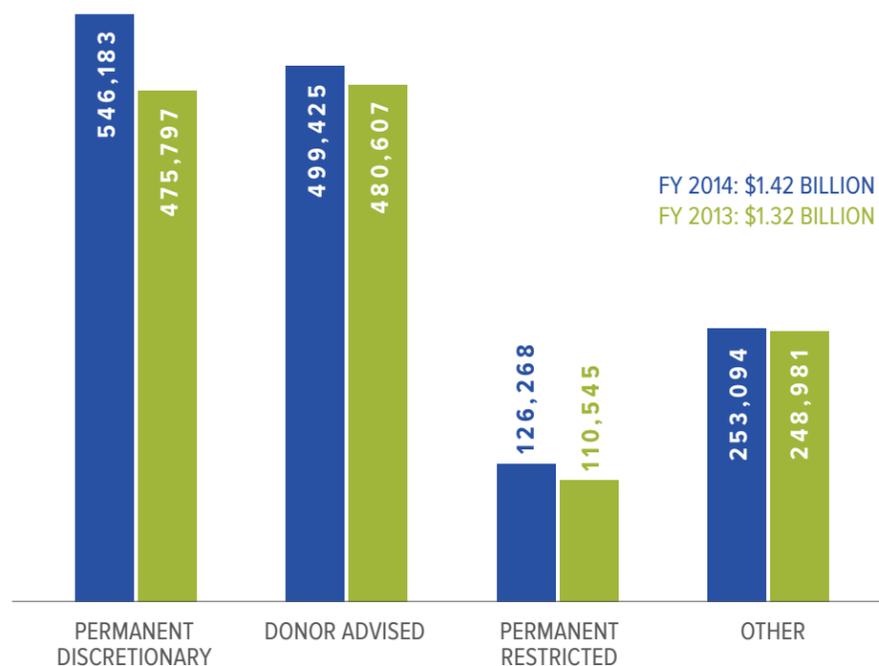
Donor Advised Funds are donor-directed charitable funds or foundations started by donors who choose CCF to help them realize their philanthropic visions and goals. These funds accounted for \$499 million, or 35 percent of our total assets.

Permanent Restricted Funds are donor-designated funds for use at a specific organization through a legacy or a bequest. These assets made up \$126 million, or nine percent of our total assets.

Other Funds, which include private foundation alternatives, regional affiliates, trusts, community benefit funds and charitable gift annuities, among others, constituted \$253 million, or 18 percent of our total assets.



SUMMARY OF ASSETS IN THOUSANDS

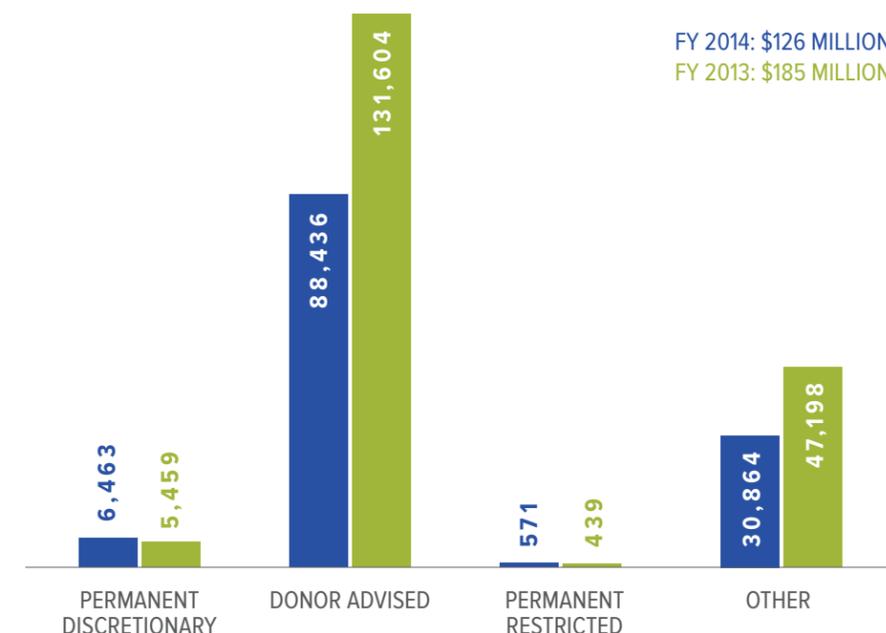


\$126 million in charitable contributions

OVERVIEW OF CONTRIBUTIONS BY FUND TYPE

This fiscal year, CCF received \$126 million in charitable contributions, reflecting the committed generosity of our donors and foundation partners. Donors and their advisors helped us to reach more than \$88 million in Donor Advised Fund contributions and increase Permanent Discretionary Fund contributions by 18 percent over the last fiscal year.

SUMMARY OF CONTRIBUTIONS IN THOUSANDS

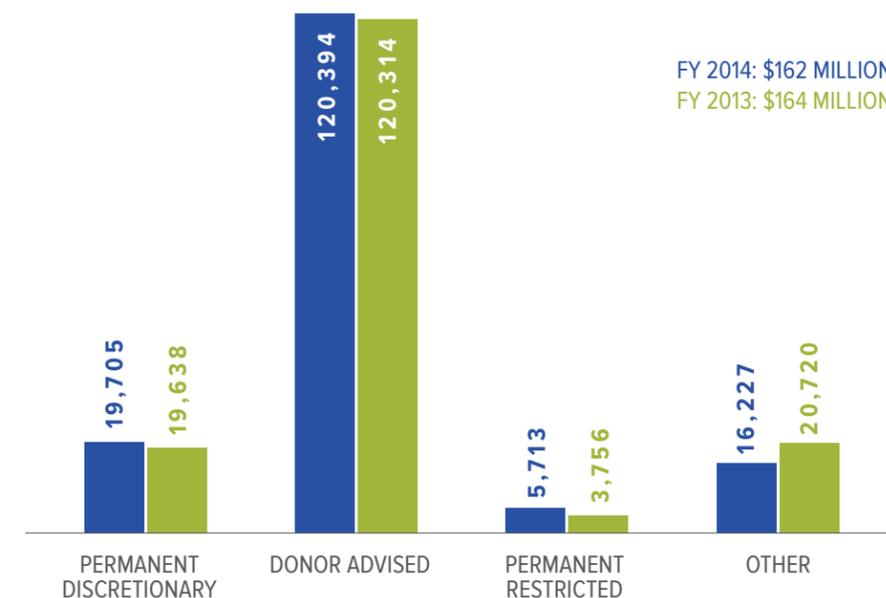


SUMMARY OF GRANTS IN THOUSANDS

\$162 million in grants

OVERVIEW OF GRANTS BY FUND TYPE

CCF made nearly 7,000 grants totaling \$162 million this year, thanks to increases in both Permanent Discretionary and Donor Advised grants. Nonprofits in Los Angeles County received \$100 million, or 62 percent of total grants.



Rigorous standards bring stability and organizational health

MESSAGE FROM THE AUDIT COMMITTEE CHAIR

As chair of the Audit Committee of California Community Foundation's Board of Directors, I am honored to support an organization that adheres to the highest standards of transparency and financial management. Through regular meetings with CCF leadership and finance staff, the Audit Committee seeks to ensure rigorous fiscal controls and stringent administrative and governance standards, helping CCF to meet its responsibilities to donors and the community. I am pleased to present CCF's financial statements for the fiscal year ended June 30, 2014. We worked closely with our professional independent auditors at KPMG LLP to provide an accurate representation of CCF's organizational health and stability.

David W. Fleming

Audit Committee Chair and Board Member

Balance Sheets

California Community Foundation and affiliates consolidated balance sheets.*

Fiscal year ended June 30, 2014 (in thousands).

Assets	2014	2013
Cash and cash equivalent	\$ 14,591	\$ 35,620
Investments	1,322,343	1,207,297
Notes receivable	14,834	11,665
Contributions receivable, net	29,382	18,130
Prepaid expenses and other assets	1,005	841
Beneficial interests in trusts	33,862	31,306
Leasehold improvements and equipment, net	1,246	1,409
Real estate	7,707	9,662
Total assets	\$ 1,424,970	\$ 1,315,930
Liabilities and net assets		
Accounts payable and other liabilities	2,516	1,783
Funds held for others	71,771	63,554
Grants payable, net	35,082	33,068
Note payable and line of credit	1,090	3,000
Liabilities under split interest agreement	17,154	17,275
Deferred revenue	7,369	7,455
Total liabilities	\$ 134,982	\$ 126,135
NET ASSETS:		
Unrestricted	1,161,287	1,070,638
Temporarily restricted	58,032	50,920
Permanently restricted	70,669	68,237
Total net assets	1,289,988	1,189,795
Total liabilities and net assets	\$ 1,424,970	\$ 1,315,930

Income Statements

California Community Foundation and affiliates consolidated balance sheets.*

Fiscal year ended June 30, 2014 (in thousands).

Support and revenue	2014	2013
SUPPORT:		
Amount raised	\$ 126,334	\$ 184,700
Less amounts raised or received on behalf of others	(12,375)	(6,517)
Net contributions and bequests raised	113,959	178,183
OTHER REVENUE:		
Interest, dividends and other revenue	26,624	26,298
Realized and unrealized gains and losses on investments, net	145,154	100,787
Change in value of split-interest agreements	1,170	1,420
Other revenue before allocation of investment gain	172,948	128,505
Less investment income allocated to funds held for others	(9,168)	(6,361)
Net other revenue	163,780	122,144
Total support and revenue and net assets released from restrictions	277,739	300,327
Expenses		
PROGRAM SERVICES:		
Grants and philanthropic distributions	162,039	164,428
Less amounts distributed on behalf of others	(4,989)	(3,345)
Total grants and philanthropic distributions	157,050	161,083
Program services expense	11,107	10,155
Less program services expenses allocated to funds held for others	(320)	(318)
Total grants and philanthropic distributions and program services	167,837	170,920
SUPPORT SERVICES:		
Management and general administrative	3,270	3,063
Development and fundraising	2,539	3,345
Investment management fees	4,108	3,669
Less administrative expenses & investment management fees allocated to funds held for others	(208)	(165)
Total support services	9,709	9,912
Total expenses	177,546	180,832
Change in net assets	100,193	119,495
Net assets at beginning of year	1,189,795	1,070,300
Net assets at end of year	\$ 1,289,988	\$ 1,189,795

*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.

Focus on risk management

MESSAGE FROM THE INVESTMENT COMMITTEE CHAIR

Equity prices have continued to ratchet up in spite of only moderate improvement in fundamentals, leading to higher and higher valuations. Global macroeconomic and political events that would normally set markets back have been largely ignored as volatility has remained at nearly unprecedented low levels. In this environment, the focus of the Investment Committee continues to be on risk management. We are avoiding pockets of over-valuation while ensuring that our portfolio construction properly takes into account the risks associated with the removal of monetary stimulus.

The Investment Committee is pleased to report our returns for the fiscal year ended June 30, 2014. We rebalance the portfolio actively to capture relative value, carefully control costs and maintain a high level of diversification—all important elements in achieving our goal of excellent risk-adjusted returns for the long term.

Preston L.C. Johnson

Investment Committee Chair and Board Member

Five investment pools to meet the needs of our donors

INVESTMENT POOLS AND STRATEGY

Long-term fiscal stewardship of donor funds and legacies is our highest priority at California Community Foundation. Under the leadership of our Investment Committee, we have created five investment pools (detailed at right), each following sound economic principles and designed to meet the needs and timeline of our donors, whether they seek short-term grantmaking or to create a permanent endowment.

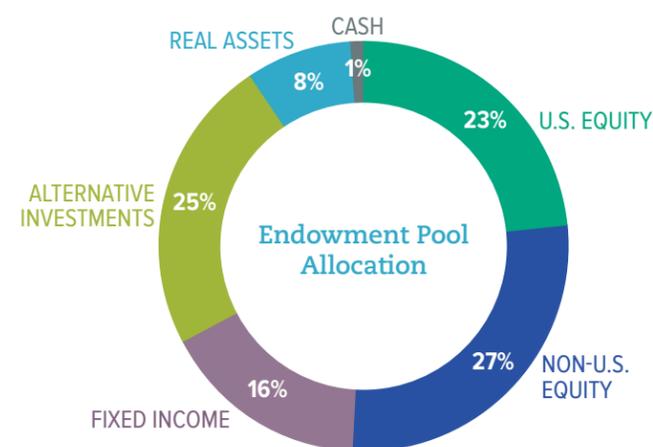
We also offer greater levels of flexibility and customization through the Charitable Asset Management Program (ChAMP), which allows donors whose funds meet certain criteria to recommend a registered investment advisor to manage the assets of their Donor Advised Fund.

CCF is the permanent foundation for Los Angeles County, and our investments are determined by the desire to meet the needs of our donors while serving the needs of Los Angeles County in perpetuity. Through prudent investment strategies and efficient management, we have created a diverse portfolio that can survive a fluctuating market. We are grateful to have achieved that goal again this fiscal year.

Diversified by industry sector and issuers

ENDOWMENT POOL ALLOCATION

CCF's Endowment Pool is invested over an indefinite time horizon, which allows it to take on a reasonable level of short-term volatility in order to achieve favorable long-term investment returns. The asset allocation for the pool comprises equity and fixed income funds. Its equity fund portfolio seeks diversification through investments in U.S. equities, non-U.S. equities, alternative investments and other "opportunistic" investments. The fixed income portfolio is diversified with respect to both industry sectors and issuers to minimize risk exposure.



POOL & ASSETS

DESCRIPTION

OBJECTIVE

- | | | |
|---|--|---|
| <p>1 Endowment Pool
<i>previously named Permanent Pool</i></p> <p>INVESTMENT ASSETS
\$916,615,113</p> | <p>Seeks to achieve long-term growth, preserving the purchasing power of assets over an indefinite time horizon, providing a relatively predictable, stable stream of distributions that keep pace with inflation over time.</p> | <p>Invested for long-term appreciation across multiple investments. Our Investment Committee, our long-term financial partner Cambridge Associates and many external investment managers oversee this pool.</p> |
| <p>2 Social Impact Endowment Pool
<i>previously named Socially Responsible Pool</i></p> <p>INVESTMENT ASSETS
\$2,850,890</p> | <p>Aims to achieve long-term growth over an indefinite time horizon but also adds rigorous environmental, social and governance (ESG) analysis as an additional mandate.</p> | <p>Invested in a mutual fund with multiple social screens and a long-term objective. This pool is managed by PAX World Investments, a socially responsible investment manager.</p> |
| <p>3 Conservative Balanced Pool
<i>previously named Intermediate Pool</i></p> <p>INVESTMENT ASSETS
\$1,687,846</p> | <p>Created in October 2013 to offer diversified exposure to investment grade fixed income with maturities from 1-5 years and to the entire U.S. equity market for purposes of grantmaking over an intermediate horizon, generally 3-7 years.</p> | <p>Invested to strike a balance between growth strategies and liquidity. Designed to seek moderate growth while providing the liquidity needed for grantmaking over the intermediate term. Management for this pool is provided by Vanguard.</p> |
| <p>4 Short Duration Bond Pool</p> | <p>Launched in 2014, seeks to offer diversified exposure to investment grade fixed income with maturities from 1-5 years for purposes of distribution over a horizon of 1-4 years. Strives to provide liquidity as well as to potentially offer additional yield through a bond portfolio.</p> | <p>Invested in a bond mutual fund to offer liquidity and modest returns for near-term grantmaking. This new pool is managed by Vanguard.</p> |
| <p>5 Capital Preservation Pool
<i>previously named Short Term Liquidity Pool</i></p> <p>INVESTMENT ASSETS
\$133,606,875</p> | <p>To preserve principal, ensure liquidity and provide working funds for present and future needs through investment in high quality, short-term fixed income and cash instruments.</p> | <p>Invested to meet the needs of funds with short-term objectives or goals. Structured to ensure maximum liquidity for grantmaking while also seeking to preserve principal. This pool is managed by our long-term partner City National Bank.</p> |

Investment Performance

As of June 30, 2014

Endowment Pool

previously named Permanent Pool

The target asset allocation was 45 percent global equities, 25 percent alternatives, 20 percent fixed income and 10 percent real assets.

Total Fund Benchmark*

Cambridge Associates Endowment Median**

	1 year	3 years	5 years	10 years
Endowment Pool	15.8%	8.0%	11.0%	6.8%
Total Fund Benchmark*	15.4%	7.6%	10.3%	6.5%
Cambridge Associates Endowment Median**	15.7%	8.4%	11.4%	7.3%

Social Impact Endowment Pool

previously named Socially Responsible Pool

The target asset allocation was 60 percent equities and 40 percent fixed income.

60% S&P 500 / 40% BCAgg***

	1 year	3 years	5 years	10 years
Social Impact Endowment Pool	15.5%	7.5%	11.1%	5.0%
60% S&P 500 / 40% BCAgg***	16.3%	11.5%	13.3%	6.5%

Capital Preservation Pool

previously named Short Term Liquidity Pool

Holdings include money market, commercial paper and short-term bonds with a goal of preserving principal and generating income.

Bank of America ML 91-Day T-Bills

	1 year	3 years	5 years	10 years
Capital Preservation Pool	0.1%	0.2%	0.4%	2.0%
Bank of America ML 91-Day T-Bills	0.1%	0.1%	0.1%	1.6%

S&P 500 Index

	1 year	3 years	5 years	10 years
S&P 500 Index	21.9%	14.7%	21.2%	6.9%

* Total Fund Benchmark is a combination: 45% MSCI ACWI, which provides a benchmark for global equities; 25% HFR FOF Index, which provides a benchmark for our alternative investments allocation; 10% Manager Asset Weighted Real Assets Benchmark, which provides a benchmark for our real assets allocation; 10% Barclays Capital Intermediate Government Credit, 5% Barclays Capital Aggregate and 5% Citi Non-U.S. Government Bond Index, which benchmark our fixed income allocation.

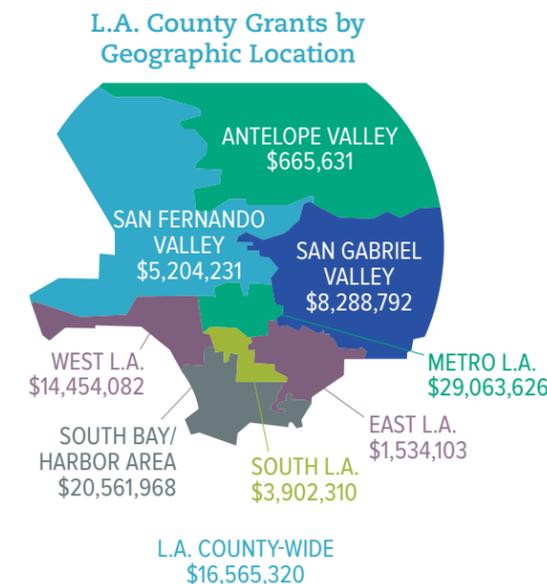
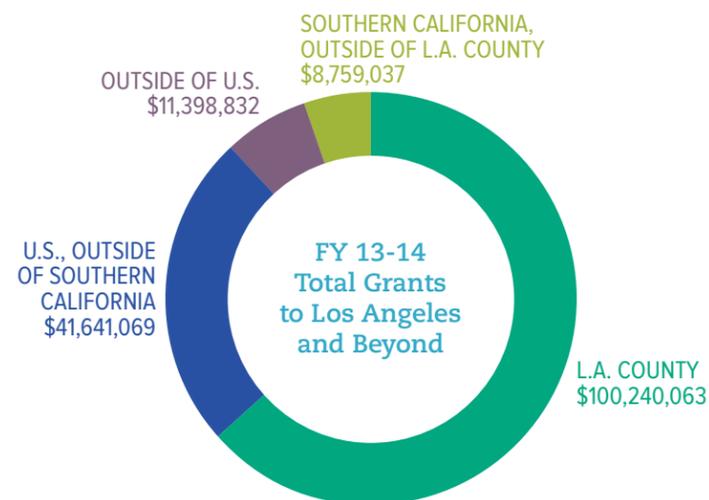
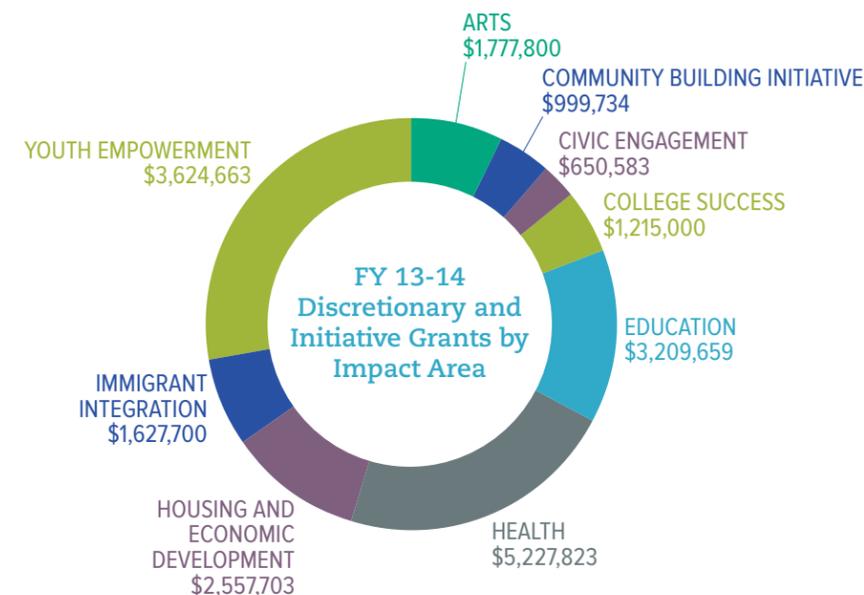
** The Cambridge Associates Endowment Median is a Cambridge Associates performance benchmark compiled from a universe of client endowment portfolios (based on preliminary data, available as of September 30, 2014).

*** 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.

Diversity in geography and impact

OVERVIEW OF GRANTS

CCF has been the foundation for Los Angeles County for nearly a century, and our focus is on forever. We are proud to manage nearly 1,600 charitable funds and promote giving to and by L.A., all while maintaining our overhead at less than one percent of assets. The charts below provide a snapshot of grants for the fiscal year ended June 30, 2014.



California Community Foundation 2014 Board of Directors

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 Director of the Spanish Speaking
 Psychosocial Clinic
 UCLA School of Medicine

CHAIR ELECT

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 Founding Partner
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 Civic Engagement

Carol Bradford
 Senior Counsel and Charitable Advisor

Nike Irvin
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 Vice President
 Housing and Economic Development

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Rafael Cardenas, rafa.LA
Larry Wong, LWong.net



“Latino youth are America’s fastest growing population. With the support of CCF, I believe we can prepare them to compete and contribute as never before.”

— Steve Moya
 Founder, The Great Potential Latino Initiative
 & Centennial Legacy Campaign Member

My legacy is The Great Potential Latino Initiative, which uses technology and innovative approaches to strengthen Latino families and neighborhoods and to prepare Latino youth for mainstream competition in one generation.

What will your legacy be?

Endow a better future for Los Angeles County through the Centennial Legacy Campaign.

MyLALegacy.org | 213.413.4130





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GivingInLA.org

California Community Foundation (CCF) meets the most rigorous standards in philanthropy and complies with the National Standards of U.S. Community Foundations, administered by the Council on Foundations, a membership organization of more than 2,000 grantmaking foundations and giving programs worldwide. This affirms CCF's commitment to financial security, transparency and accountability. The foundation's competitive grantmaking includes an open process designed to address Los Angeles' changing needs. The seal also confirms the foundation's history of honoring donors' wishes—to ensure healthy, engaged and diverse communities.

