JEWISH FEDERATION OF SILICON VALLEY

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2011 AND 2010

WITH

INDEPENDENT AUDITORS' REPORT

JEWISH FEDERATION OF SILICON VALLEY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Jewish Federation of Silicon Valley
Los Gatos, California

We have audited the accompanying statement of financial position of Jewish Federation of Silicon Valley (the Federation) as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Federation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Jewish Federation of Silicon Valley's 2010 financial statements and in our report dated February 2, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Silicon Valley at June 30, 2011, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Johanson & Yau
Accountancy Corporation

November 28, 2011

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JEWISH FEDERATION OF SILICON VALLEY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(With Comparative Totals as of June 30, 2010)

ASSETS

	2011	2010*
Current assets		
Cash	$ 1,704,966	$ 1,658,314
Marketable securities - Note 5	4,404,395	3,709,043
Pledges receivable, net of allowance for doubtful pledges of $111,163 - Note 3	975,383	1,027,841
Other receivables	142,574	299,464
Prepaid expenses	8,205	34,519
Deposits	15,309	22,909
Total current assets	7,250,832	6,752,090
Property and equipment, net - Note 6	19,423,480	19,998,276
Loan receivable - Note 4	459,372	428,265
	$ 27,133,684	$ 27,178,631

See accompanying notes to financial statements

* Derived from 2010 audited financial statements

JEWISH FEDERATION OF SILICON VALLEY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(With Comparative Totals as of June 30, 2010)

LIABILITIES AND NET ASSETS

	2011	2010*
Current liabilities		
Accounts payable and accrued expenses	$ 161,587	$ 186,439
Allocations payable from campaign	48,369	22,444
Donor designated funds payable	23,643	56,229
Loans payable, current maturities - Note 8	100,000	100,000
Total current liabilities	333,599	365,112
Loans payable, less current maturities - Note 8	1,575,000	1,700,000
	1,908,599	2,065,112
Net assets		
Unrestricted - Note 9	20,966,291	21,032,939
Temporarily restricted - Note 10	1,826,068	1,939,305
Permanently restricted - Note 10	2,432,726	2,141,275
	25,225,085	25,113,519
	$ 27,133,684	$ 27,178,631

See accompanying notes to financial statements

* Derived from 2010 audited financial statements

JEWISH FEDERATION OF SILICON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011
(With Comparative Totals For The Year Ended June 30, 2010)

	2011				2010*
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenues and support from operations					
Service revenue:					
Levy Family Campus occupancy receipts	$ 3,111,559	$ -	$ -	$ 3,111,559	$ 3,107,484
Investment income	325,971	23,684	438,127	787,782	399,347
Jewish Community News - advertising and subscriptions	66,125	-	-	66,125	101,736
Program revenue	76,840	-	-	76,840	131,010
Total service revenue	3,580,495	23,684	438,127	4,042,306	3,739,577
Public support	637,095	1,537,256	-	2,174,351	1,811,522
	4,217,590	1,560,940	438,127	6,216,657	5,551,099
Satisfaction of restriction	1,820,853	(1,674,177)	(146,676)	-	-
Total support and revenue (loss)	6,038,443	(113,237)	291,451	6,216,657	5,551,099
Operating expenses					
Supporting services:					
General and administrative	351,093	-	-	351,093	361,559
Fundraising costs	259,234	-	-	259,234	300,823
Total supporting services	610,327	-	-	610,327	662,382
Program services:					
Allocations to beneficiary agencies	3,118,117	-	-	3,118,117	3,062,070
Other programs	2,376,647	-	-	2,376,647	2,515,445
Total program services	5,494,764	-	-	5,494,764	5,577,515
Total support service and program services	6,105,091	-	-	6,105,091	6,239,897
Change in net assets	(66,648)	(113,237)	291,451	111,566	(688,798)
Net assets, beginning of year	21,032,939	1,939,305	2,141,275	25,113,519	25,802,317
Net assets, end of year	$ 20,966,291	$ 1,826,068	$ 2,432,726	$ 25,225,085	$ 25,113,519

See accompanying notes to financial statements

* Derived from 2010 audited financial statements

JEWISH FEDERATION OF SILICON VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011
(With Comparative Totals For The Year Ended June 30, 2010)

	2011				2010*
	Program Services	General and Administrative	Fundraising Costs	Total	Total
Salaries	$ 536,250	$ 133,857	$ 156,805	$ 826,912	$ 844,288
Payroll taxes & benefits	131,576	32,844	38,474	202,894	183,295
Total salaries and related expenses	667,826	166,701	195,279	1,029,806	1,027,583
Allocations to beneficiary agencies	3,118,117	-	-	3,118,117	3,062,070
Audit, legal and accounting fees	10,050	23,450	-	33,500	38,915
Insurance	25,413	11,152	-	36,565	36,055
Supplies	54,480	4,071	1,334	59,885	74,222
Telephone	33,565	1,224	-	34,789	31,730
Repair and maintenance	79,107	6,666	-	85,773	130,135
Postage and mailing	14,301	3,299	464	18,064	23,320
Meetings	2,026	1,751	3,959	7,736	6,844
Conferences and travel	7,413	11,498	899	19,810	17,596
Computer	3,072	10,367	260	13,699	34,828
Campaign programs	14,637	449	18,326	33,412	77,183
Miscellaneous	408	4,331	-	4,739	4,972
Outside labor and consulting	35,735	10,745	376	46,856	57,290
Printing and composition	19,808	2,555	2,171	24,534	31,971
Advertising and publicity	9,969	2,268	6,989	19,226	24,733
Dues and subscriptions	33,439	1,704	44	35,187	28,919
Credit card and bank service fees	-	14,705	-	14,705	16,210
Bad debt expense	78	56,787	-	56,865	58,814
Levy Family Campus operations expense	739,714	-	-	739,714	742,362
Investment expenses	-	11,149	29,133	40,282	70,081
Interest expense	57,031	-	-	57,031	62,370
Total expenses before depreciation	4,926,189	344,872	259,234	5,530,295	5,658,203
Depreciation and amortization	568,575	6,221	-	574,796	581,694
Total functional expenses	$ 5,494,764	$ 351,093	$ 259,234	$ 6,105,091	$ 6,239,897

See accompanying notes to financial statements

* Derived from 2010 audited financial statements

JEWISH FEDERATION OF SILICON VALLEY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011
(With Comparative Totals For The Year Ended June 30, 2010)

	2011	2010*
Cash flows from operating activities		
Change in net assets	$ 111,566	$ (688,798)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	574,796	581,694
Realized and unrealized net (gains) losses on investments	(657,067)	(262,421)
(Increase) decrease in assets and liabilities		
Pledges receivable	52,458	364,824
Other receivables	(43,110)	(231,706)
Prepaid and deposits	33,914	(30,402)
Accounts payable and accrued expenses	(24,852)	67,111
Allocations payable from campaign	25,925	15,583
Donor designated funds payable	(32,586)	(1,104)
Net cash provided by (used for) operating activities	41,044	(185,219)
Cash flows from investing activities		
Repayments from notes receivable	179,813	50,000
Issuance of notes receivable	(10,920)	(160,752)
Purchase of investments	(5,042,027)	(4,865,310)
Sale of investments	5,003,742	4,966,822
Net cash provided by (used for) investing activities	130,608	(9,240)
Cash flows from financing activities		
Borrowing on line of credit	-	1,500,000
Repayment of debt	(125,000)	(1,558,231)
Net cash used for financing activities	(125,000)	(58,231)
Net increase (decrease) in cash	46,652	(252,690)
Cash, beginning of year	1,658,314	1,911,004
Cash, end of year	$ 1,704,966	$ 1,658,314
Supplemental cash flow information		
Interest paid during year	$ 57,031	$ 62,370

See accompanying notes to financial statements

* Derived from 2010 audited financial statements

NOTE 1 - SUMMARY OF ACTIVITIES

The Jewish Federation of Silicon Valley (the Federation) was established in 1930 and is a not-for-profit organization dedicated to strengthening and enriching the Jewish community locally, in Israel, and throughout the world. The Federation supports educational, social service and charitable programs that exemplify the Jewish values of K'lal Yisrael (taking responsibility for one another), Tzedakah (charity and righteousness), and Tikkun Olam (repairing the world). The Federation's activities are detailed as follows:

- Fund raising through annual, capital, endowment and campaigns and designated giving.
- Funding and supporting beneficiary agencies and programs which serve Jews in both the local community and throughout the world.
- Jewish resettlement - resettlement and absorption of Jewish émigrés to the United States and Israel.
- Jewish Community News - a periodic local Jewish community newspaper.
- Endowment development - to develop and implement solicitation programs to increase the Endowment Fund.
- Affinity Groups - programs for the Jewish community specifically geared to health care, women, young adults, legal and high tech professionals.
- Community Chaplain - Rabbinic services and counseling for hospitalized and marginalized Jews in the Silicon Valley; the Rabbi also serves as the community liaison to interfaith groups and local public servants.
- Levy Family Campus fund raising, development and operations – efforts are made to ensure the funding and prompt repayment of loans taken to build the facility at 14855 Oka Road, Los Gatos, California as well as overseeing the operations and maintenance of the facility.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Federation follows standards of accounting and financial reporting for not-for-profit organizations as prescribed by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board. The Federation reports its financial position and operational activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets which have restrictive covenants set by the donor.

- Unrestricted net assets are those assets over which the Board of Directors (the Board) has discretionary control in carrying out the operations of the Federation. Under this category, the Federation maintains Philanthropic Funds plus any net assets designated by the Board for specific purposes. The Federation reports as an increase in unrestricted net assets any restricted support received in the same period for which the restrictions are met.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Temporarily restricted net assets are pledges and unconditional promises which are subject to donor restrictions usually released with the passage of time or a use requirement being met.

- Permanently restricted net assets are those assets which are subject to donor restrictions which never expire nor can ever be removed. Such permanent restrictions generally represent endowments for which the original principal may never be reduced except by investment losses in certain cases.

Revenue recognition - The Federation recognizes public support, as well as program revenue, interest income and Jewish Community News advertising and subscription revenue on the accrual basis of accounting. Public support is recordable on a net realizable value basis. Program revenue is recognized in the period in which services are provided.

Contributions are recognized when the donor makes an unconditional promise to give. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature of donor restrictions and depending on whether the restrictions are met in the current period. Restricted contributions are reported as increases in unrestricted net assets if the restrictions have been met in the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in temporarily or permanently restricted net assets. When the restriction is met on a contribution received in a prior fiscal period, the amount is shown as a reclassification of restricted net assets to unrestricted net assets.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Installments are allowed for campus pledges of $5,000 or more. Such installments are expected to be collected by 2013. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows based upon installment periods as advised by the donor. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Conditional promises to give are not included as support until the conditions are substantially met.

The allowance for doubtful pledges receivable is based upon historical collection experience, age of pledges receivable and current economic conditions that may affect a donor's ability to pay. In addition, specific allowances are provided for any pledge receivable which management determines in its judgment to be impaired beyond the level of general allowance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions-in-kind - Donated equipment and other donated goods are recorded at their estimated value at the date of donation. Contributed services, which require a specialized skill and which the Federation would have paid for if not donated, are recorded at the estimated fair value at the time of services rendered. The Federation also receives donated services that do not require specific expertise but which are nonetheless central to the Federation's operations. These contributed services are not reflected in the financial statements.

Cash - Cash consists of deposits with a bank which often exceed federally insured limits.

Investments - Investments in marketable securities with readily determinable fair value and debt securities are stated at market value. Dividends and interest are accrued as earned and recorded as unrestricted revenue unless income is restricted by the donor.

Generally accepted accounting principles establish a hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the assets based on market data obtained from sources independent of the Federation. Unobservable inputs reflect the Federation's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Values are unadjusted quoted prices for identical assets or liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Federation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment - Property and equipment are recorded at cost, or if contributed, at the estimated fair value when donated. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to thirty-five years. Depreciation is recorded as a decrease in unrestricted net assets and the expense is charged to the activity benefiting from the use of the facilities or equipment.

Long-lived assets - The Federation reviews long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No such impairments have been identified to date.

Indirect expense allocations - Indirect expense allocations are based on actual salaries allocated to an applicable program and supporting activity.

Income taxes - The Federation is exempt from federal and state income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and similar state provisions and has been determined to be an organization which is not a private foundation.

The Organization's tax filings are subject to audit by various taxing authorities. As of June 30, 2011 the Organization is no longer subject to federal or state examinations by tax authorities for years ended before 2007.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of credit risk - Financial instruments that potentially subject the Federation to concentration of credit risk consist principally of cash, pledges receivable, grants receivable and investments, and loans payable. Cash is deposited in local reputable banks and marketable securities are in custody with a large financial institution. The credit risk in the pledge and grants receivables are mitigated by the fact that pledges are made by predominately local, repeat donors and are evaluated by the Federation based on personal contact and knowledge of the donors. The credit risk in investments described in Note 5 is mitigated by the fact that the Federation regularly reviews the investments and uses an outside investment manager. The line of credit and majority of loans payable as described in Note 8 are with one reputable financial institution.

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30, 2011:

General Campaign		
2011	$	752,045
2010		31,949
2009		34,977
2008		62,608
2007 and prior		52,369
Total General Campaign		933,948
Levy Family Campus Campaign		157,729
		1,091,677
Less: discount at 3.75%, based on approximate current borrowing rates		(5,131)
Less: allowance for doubtful accounts		(111,163)
Total pledges receivable	$	975,383

NOTE 4 - LOAN RECEIVABLE

Loan receivable consisted of the following at June 30, 2011:

Yavneh Day School, a beneficiary agency, interest only at prime plus 1% until July 2013, at which time the loan will be converted into a six year term loan with interest at the same rate the Federation pays on its First Republic Bank line of credit.	$	459,372

See Note 14 regarding subsequent events

NOTE 5 - INVESTMENTS IN MARKETABLE SECURITIES

The cost and fair market value of the Federation's investments in marketable securities consisted of the following at June 30, 2011:

	Cost	Fair market Value	Unrealized gains (losses)
Fixed income securities:			
Government obligations	$ 892,558	$ 899,470	$ 6,912
International obligations	2,591	4,333	1,742
Domestic mutual funds	370,155	419,198	49,043
Publicly traded equity securities:			
Consumer discretionary	244,492	349,370	104,878
Consumer staples	101,481	145,397	43,916
Domestic mutual funds	73,203	106,538	33,335
Energy	89,702	135,505	45,803
Financials	214,856	248,210	33,354
Health care	182,943	219,002	36,059
Industrials	180,556	241,013	60,457
Information technology	275,375	407,747	132,372
International equities	472,740	617,020	144,280
International mutual funds	99,992	98,532	(1,460)
Materials	66,207	86,424	20,217
Real asset funds	168,810	158,879	(9,931)
Real estate investment trusts	11,829	16,009	4,180
Telecommunications	32,220	38,030	5,810
Utilities	16,079	17,279	1,200
Other	200,000	196,439	(3,561)
Total investments	$ 3,695,789	$ 4,404,395	$ 708,606

The fair market value of marketable securities is based upon quoted market prices for identical assets (Level 1 input).

NOTE 5 - INVESTMENTS IN MARKETABLE SECURITIES (Continued)

Investment gain included in the statement of activities for the year ended June 30, 2011 consisted of the following:

Dividend and interest income	$ 130,715
Net realized gain	215,554
Net unrealized gain	441,513
Net realized and unrealized gain on investments	657,067
Total investment gain	$ 787,782

Investment expenses for the year ended June 30, 2011 were $40,282.

NOTE 6 - PROPERTY AND EQUIPMENT

The components of property and equipment are as follows for the year ended June 30, 2011:

Real estate and improvements:	
Levy Family Campus	$ 18,200,374
Land	4,200,000
Office equipment, furniture and computer software	483,929
	22,884,303
Less: accumulated depreciation and amortization	(3,460,823)
	$ 19,423,480

NOTE 7 - LEVY FAMILY CAMPUS

The Federation provides and maintains facilities at the Levy Family Campus for the benefit of itself and certain beneficiary agencies. For any occupants who are Jewish not-for-profit agencies, the Federation will not charge rent in excess of common area operating expenses for a minimum of ten years following completion of the campus in 2005. Operating expenses for the property, grounds and management and reasonable reserves are prorated among the Federation and the tenants based on square footage. Total operating expenses collected from tenants was approximately $1,326,000 for the year ended June 30, 2011. The Federation has recognized $1,785,936 of rental income for the year ended June 30, 2011 to reflect the market value of free rent provided to tenants of the

NOTE 7 - LEVY FAMILY CAMPUS (Continued)

building. This rent is based upon the fair market value of comparable commercial space in the area, and is also reported as additional program service expense in the Statement of Activities.

NOTE 8 - FINANCING ARRANGEMENTS

Line of credit - The Federation has a line of credit agreement with First Republic Bank to provide working capital. The credit limit is $1,500,000 with interest at the bank's index rate, but not less than 5% per year (rate was 5% at June 30, 2011). The line is subject to certain financial covenants, all of which were in compliance at the balance sheet date. Borrowings are secured by cash, securities, receivables, real and personal property and by tenant leases. There was no outstanding balance at June 30, 2011. The line was renewed in October 2011,with interest at the bank's index rate, but not less than 4% per year, and expiring in October 2012.

Letter of credit - The Federation has secured a standby letter of credit with First Republic Bank equal to the outstanding principal amount of the Avi Chai loan ($175,000 at June 30, 2011). The amount available under the letter of credit is reduced by the payments made on the loan. Interest is charged on any advances at the rate of prime plus 5 percent per year (rate was 8.25% at June 30, 2011). The agreement renews automatically each year until 2013, when the Avi Chai loan is due. There was no outstanding balance at June 30, 2011.

Long term debt - Long term debt as of June 30, 2011, is summarized as follows:

Note payable to First Republic Bank, secured by cash, securities, receivables, real and personal property and lease income, payable in interest only monthly payments, at bank's prime rate (currently 3.75%), due July 2012.	$	1,500,000
Note payable to Avi Chai Foundation, unsecured, non-interest bearing, quarterly principal payments of $25,000 each, due 2013.		175,000
		1,675,000
Less current portion		100,000
Long term portion	$	1,575,000

NOTE 8 - FINANCING ARRANGEMENTS (Continued)

Maturities of long-term debt for the next five years are as follows:

Year ended June 30,	
2012	$ 100,000
2013	1,575,000
	$ 1,675,000

Total interest incurred under these loans was $56,250.

See Note 14 regarding subsequent events.

NOTE 9 - BOARD DESIGNATED AMOUNTS

Unrestricted net assets were designated by the Board of Directors for the following programs at June 30, 2011:

Contingency reserve for Levy Family Campus	$ 313,434
Maintenance reserve for Levy Family Campus	516,300
Leadership development	20,851
Silicon Valley Holocaust Survivor Association	18,898
Other (less than $10,000 each)	17,320
Total	$ 886,803

Included in unrestricted net assets at June 30, 2011 was approximately $1,150,738 of designated Philanthropic Funds.

NOTE 10 - RESTRICTED NET ASSETS

The Federation's donor restricted net assets at June 30, 2011 consisted of:

2011 Annual Campaign	$	1,547,539
Endowment for Art Gallery		134,740
Gift of Israel		52,891
2012 Annual Campaign		42,244
Strategic Plan		25,054
2013 Annual Campaign		14,300
Other		9,300
Total	$	1,826,068

Net assets released from restrictions according to terms specified by the donor are as follows for the year ended June 30, 2011:

Annual Campaign	$	1,674,177
Endowment distributions		146,676
Total	$	1,820,853

Permanently restricted net assets are as follows at June 30, 2011:

Mel Cotton Endowment Fund	$	1,148,716
Weinberg Endowment for Jewish Family Services		964,898
Lion of Judah Endowment (LOJE)		319,112
Total	$	2,432,726

NOTE 11 - RELATED PARTY TRANSACTIONS

The Federation shares some common board members with the Addison-Penzak Jewish Community Center (APJCC), Congregation Shir Hadash, Yavneh Day School, Silicon Valley Jewish Film Festival, Congregation Sinai, and Hillel of Silicon Valley. The APJCC and Yavneh Day School are tenants of the Levy Family Campus owned by the Federation. The Federation received approximately $1,274,800 from these agencies for facility expenses described in Note 7 for the year ended June 30, 2011. The Federation paid approximately $281,500 in support to these related entities.

Donations from Federation board members totaled approximately $126,000 for the year ended June 30, 2011

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Federation has elected to be self insured for California unemployment insurance. Amounts contingently payable under this arrangement are deemed immaterial.

The Federation also agreed to either provide or guarantee a revolving debt facility to the APJCC in the amount of $500,000 based on current commercial borrowing rates. There was no balance as of June 30, 2011.

In May 2010, the Federation guaranteed a $1,200,000 loan from first Republic Bank to Yavneh Day School (Yavneh), a related party described in Note 11. The loan is to be repaid in monthly installments beginning September 2011 and ending in August 2016. The loan is subject to certain financial covenants of Yavneh. In addition to the Federation's guarantee, the Yavneh board and two individuals have also guaranteed up to $750,000 of the Yavneh bank loan. The outstanding balance as of June 30, 2011 was $60,000 on this loan.

The Federation is prohibited from pledging any of its assets on future loan transactions without the permission of its lender, First Republic Bank.

See Note 14 regarding subsequent events.

NOTE 13 - RETIREMENT PLANS

The Federation maintains a defined contribution retirement plan covering substantially all employees meeting minimum age and service requirements. The plan allows for discretionary employer contributions up to 7% of eligible compensation. The amount contributed by the Federation for the year ended June 30, 2011 was approximately $64,500. The Federation also maintains a 401(k) plan which provides for employee contributions without matching contributions from the Federation.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 28, 2011 the date the financial statements were available to be issued.

Subsequent to year end, the Federation modified their long term debt agreement with First Republic Bank (the Bank) as described in Note 8 to allow the Federation to loan Yavneh up to $1,200,000. In December 2011, the Federation borrowed an additional $1,100,000 under the modified agreement resulting in a total loan payable of $2,600,000. The Federation will pay monthly principal and interest installments of $12,132 with a balloon payment due October 2016. All other significant terms of the original note remain the same.

In December 2011, the Federation loaned Yavneh $860,000 who used its proceeds to repay its existing indebtedness to the Federation of approximately $460,000 (see Note 4) and their loan to the Bank which was guaranteed by the Federation as described in Note 12. An additional $340,000 is available for Yavneh to borrow over the next 5 years. Any unpaid principal balance is due October 2016.

Yavneh is required to make monthly principal and interest payments to the Federation on the identical repayment terms as the Federation's obligation to the Bank.

SUPPLEMENTARY INFORMATION

JOHANSON & YAU
ACCOUNTANCY CORPORATION

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ANTHONY S. C. YAU
Of Counsel

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Jewish Federation of Silicon Valley
Los Gatos, California

Our report of the basic financial statements of Jewish Federation of Silicon Valley as of June 30, 2011 and the year then ended appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Johanson & Yau
Accountancy Corporation

November 28, 2011

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JEWISH FEDERATION OF SILICON VALLEY
SCHEDULE OF
LEVY FAMILY CAMPUS OPERATIONS
YEAR ENDED JUNE 30, 2011

Income	
Revenue at fair market value	$ 1,785,936
CAM reimbursements	1,373,971
Reimbursements paid by Jewish Federation	(48,348)
	3,111,559
Expenses	
Rent reductions as in-kind donation to beneficiary agencies	1,785,936
Security	335,222
Utilities-facilities	295,009
Professional staff salaries	238,517
Repairs and maintenance	77,307
Cleaning	90,985
Supplies	38,160
Telephone	32,627
Insurance	25,413
Property taxes	16,037
Pest control service	2,460
Dues and subscriptions	650
Miscellaneous	409
Total expenses before depreciation	2,938,732
Income before depreciation	172,827
Depreciation and amortization	530,676
Net loss	$ (357,849)