

**THE PARKER FOUNDATION
(GERALD AND INEZ GRANT PARKER)**

**FINANCIAL STATEMENTS
COMPILED**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

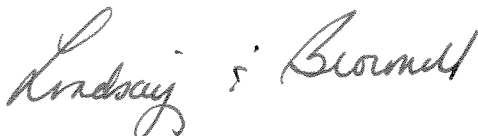
To the Board of Directors
The Parker Foundation
San Diego, California

We have compiled the accompanying statements of financial position of The Parker Foundation as of September 30, 2011, and the related statements of activities and cash flows for the year then ended, and the accompanying supplementary information contained in Schedule I, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

The financial statements do not disclose certain information related to investments in partnerships and other alternative investments, including those entities' investment strategies and redemption policies. Disclosure of that information is required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Lindsay & Brownell, LLP

November 30, 2011

THE PARKER FOUNDATION

STATEMENTS OF FINANCIAL POSITION

September 30, 2011

with Comparative Totals for September 30, 2010

	Parker	Dempster- Larsen	Total 2011	Total 2010
ASSETS				
Current Assets				
Cash (Note 9)	\$ 407,401	\$ 64,485	\$ 471,886	\$ 386,453
Accrued interest and dividends	5,524	1	5,525	8,980
Prepaid taxes	459	43	502	6,111
Prepaid expenses	3,699	-	3,699	4,769
Total current assets	417,083	64,529	481,612	406,313
Property and Equipment, net of accumulated depreciation of \$121 for 2011 (Note 2)	6,171	955	7,126	-
Investments (Notes 3 and 4)	31,138,391	2,915,909	34,054,300	36,941,129
Due (to)/from Related Fund	(2,324,420)	2,324,420	-	-
	\$ 29,237,225	\$ 5,305,813	\$ 34,543,038	\$ 37,347,442
LIABILITIES AND NET ASSETS				
Current Liabilities				
Grants payable (Note 8)	\$ 285,000	\$ -	\$ 285,000	\$ 290,000
Accrued expenses	30,903	-	30,903	31,228
Total current liabilities	315,903	-	315,903	321,228
Net Assets				
Total unrestricted net assets	28,921,322	5,305,813	34,227,135	37,026,214
	\$ 29,237,225	\$ 5,305,813	\$ 34,543,038	\$ 37,347,442

See Accompanying Notes and Independent Accountant's Report.

THE PARKER FOUNDATION

STATEMENTS OF ACTIVITIES

Year Ended September 30, 2011

with Comparative Totals for the Year Ended September 30, 2010

	Parker	Dempster- Larsen	Total 2011	Total 2010
Unrestricted Net Assets				
Revenues and gains				
Interest and dividends	\$ 693,271	\$ 125,811	\$ 819,082	\$ 541,164
Capital gain dividends	119,984	21,774	141,758	87,974
Partnership income	220,767	40,064	260,831	152,617
Miscellaneous income	92	17	109	1,226
Net gain on sale of investments	159,417	28,930	188,347	488,329
Unrealized gain (loss) on investments (Note 3)	(1,642,124)	(298,004)	(1,940,128)	2,681,361
	<u>(448,593)</u>	<u>(81,408)</u>	<u>(530,001)</u>	3,952,671
Expenses				
Grants paid and payable	1,708,700	256,000	1,964,700	1,874,339
Advisory and investment	96,974	17,598	114,572	100,806
Administrative expense	55,016	9,984	65,000	76,423
Custodian fees	36,786	6,676	43,462	37,399
Accounting and audit	32,114	5,828	37,942	45,803
Federal excise, state and foreign taxes	13,104	2,378	15,482	8,754
Memberships	9,327	1,693	11,020	11,260
Insurance	3,669	666	4,335	4,325
Conferences and community functions	2,626	476	3,102	2,093
Postage, printing and reproductions	2,358	428	2,786	2,957
Consulting fees	1,947	353	2,300	3,000
Telephone	1,579	287	1,866	962
File storage	1,572	285	1,857	532
Supplies	299	54	353	303
Filing fees	152	28	180	60
Depreciation	102	19	121	-
Mileage and parking	-	-	-	446
	<u>1,966,325</u>	<u>302,753</u>	<u>2,269,078</u>	2,169,462
Increase (Decrease) in Unrestricted Net Assets	<u>(2,414,918)</u>	<u>(384,161)</u>	<u>(2,799,079)</u>	1,783,209
Net Assets, September 30, 2010 and 2009	<u>31,336,240</u>	<u>5,689,974</u>	<u>37,026,214</u>	35,243,005
Net Assets, September 30, 2011 and 2010	<u>\$ 28,921,322</u>	<u>\$ 5,305,813</u>	<u>\$ 34,227,135</u>	\$ 37,026,214

See Accompanying Notes and Independent Accountant's Report.

THE PARKER FOUNDATION

STATEMENTS OF CASH FLOWS

Year Ended September 30, 2011

with Comparative Totals for the Year Ended September 30, 2010

	2011	2010
Cash Flows from Operating Activities		
Increase (decrease) in unrestricted net assets	\$ (2,799,079)	\$ 1,783,209
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Undistributed income on investment	(260,831)	(152,617)
Net gain on sale of investments	(188,347)	(488,329)
Unrealized (gain) loss on investments	1,940,128	(2,681,361)
(Increase) decrease in assets:		
Partnership receivable	-	513,536
Notes receivable	-	15,000
Accrued interest and dividends receivable	3,455	(4,179)
Prepaid taxes	5,609	-
Prepaid expenses	1,070	61,463
(Decrease) increase in liabilities:		
Grants payable	(5,000)	202,500
Accrued expenses payable	(325)	(22,819)
Net cash used in operating activities	(1,303,320)	(773,597)
Cash Flows from Investing Activities		
Acquisitions of property and equipment	(7,126)	-
Investments purchased	(6,681,568)	(5,485,210)
Proceeds from investments sold	7,251,152	5,730,117
Cash distribution from partnerships	826,295	350,117
Net cash provided by investing activities	1,388,753	595,024
Net increase (decrease) in cash	85,433	(178,573)
Cash		
Beginning	386,453	565,026
Ending	\$ 471,886	\$ 386,453
Supplemental Disclosures of Cash Flow Information		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ 7,000	\$ -

See Accompanying Notes and Independent Accountant's Report.

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Nature of Activities

Organization: The Parker Foundation (the "Foundation") is an independent, private foundation and California non-profit corporation. The assets of the Foundation are denoted as either the Parker Fund, originally created by a gift from Gerald and Inez Grant Parker, or the Dempster-Larsen Fund, created by a subsequent separate gift to the Foundation. This separate gift was unrestricted; however, the decision was made to report it separately from the Parker Fund for grant-making purposes only, allowing the Board of Directors to specifically award grants in support of the arts, an interest of the benefactor. When the Dempster-Larsen Fund was created, it represented 4.76% of the total assets of the foundation; therefore, all investments made with the subsequent earnings on the entire fund are allocated between the Parker and Dempster-Larsen funds in this same ratio. Allocated investments not specifically held in the Dempster-Larsen Fund are shown as Due From Related Fund.

Nature of Activities: The Foundation is an independent, private foundation and California non-profit corporation. The Foundation provides grants to charitable organizations operating in San Diego County, with the goal of bettering the lives of County residents. Grants cover a broad range of organizations and services, with special consideration given to matching or challenge grants. Individuals are not eligible to receive grants.

Note 2. Summary of Significant Accounting Policies and Other Information

Basis of Accounting: The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Income Taxes: The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. As a private foundation, it is required to pay an excise tax on investment income (see Note 6).

Cash and Cash Equivalents: Cash and cash equivalents include highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Property and Equipment: Property and equipment includes \$7,247 of computer equipment purchased in August 2011. The computer equipment is being depreciated using the straight line method with a recovery period of five years.

Investments: Effective October 1, 2008, the Foundation has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "*Fair Value Measurements and Disclosures*" (formerly SFAS No. 157, "*Fair Value Measurements*"). FASB ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Publicly traded securities are valued at the published closing price on the valuation date. Investments in partnerships are valued at the partnership's net equity position as reported by each respective partnership at the valuation date. Alternative investments are valued at the net asset value as reported by the fund. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for these assets existed.

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies and Other Information (Continued)

In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06, *Fair Value Measurements and Disclosures*. ASU 2010-06 amends FASB ASC 820-10 to require new disclosures with regard to significant transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and other settlements within the Level 3 fair value rollforward. ASU 2010-06 also clarifies existing fair value disclosures about the appropriate level of disaggregation and about inputs and valuation techniques for both recurring and nonrecurring fair value measurements that fall in either Level 2 or Level 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 31, 2009, except for the disclosures about purchases, sales, and settlements in the rollforward of activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The early adoption on October 1, 2009 of the additional disclosure requirements of ASU 2010-06 does not impact the Foundation's results of activities and financial position.

Concentration of Credit Risk: The Foundation invests the corpus of the Foundation and its excess cash in various types of investments. The Foundation has established guidelines relative to diversification and maturities that maximize safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates.

Net Gain or Loss on Sale of Securities: Marketable securities included in investments (see Note 3) are held jointly by Parker and Dempster-Larsen according to the percentages and manner described in Note 1. Net gain or loss on sale of the securities is recognized on a proportionate basis based upon the ownership percentage of these securities.

Partnership Income: The Foundation uses the accrual method of accounting for partnership income recognition, whereby income is recorded as earned, and expenses are recorded as incurred.

Grants Paid and Payable: Grants paid and payable expense is shown net of grants that have been repaid to the Foundation from grant recipients. Repayments of grants previously disbursed may be required by the Foundation Board if a change in the use or purpose of grant funds is not acceptable to the Board.

Allocation of Expenses: Beginning in 1993, all expenses between the Parker Fund and the Dempster-Larsen Fund are allocated based on the relative year-end fund balances. For the years ended September 30, 2011 and 2010, the percentages used for allocation between the Parker Fund and the Dempster-Larsen Fund were 85% and 15%, respectively. The amount of Dempster-Larsen Fund grants is based on grants designated by the Board as such. For the years ended September 30, 2011 and 2010, the percentage of Dempster-Larsen Fund grants to total grants was approximately 13.0% and 14.4%, respectively.

Reclassifications: Certain items in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements.

Use of Estimates: The preparation of financial statements in conformity with United States Generally Accepted Accounting Principles ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events: FASB ASC 855, "*Subsequent Events*", establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In accordance with FASB ASC 855, all events or transactions have been evaluated from the balance sheet date through the date of issuance. During this period, there were no material subsequent events that impact the financial statements as of September 30, 2011 (See further discussion at Note 10).

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Analysis of Investments

	Carrying Value	Market Value
September 30, 2011		
Corporate securities	\$ 6,022,954	\$ 6,118,263
Mutual funds		
Domestic equity	4,393,859	4,702,506
International equity	7,545,668	6,592,292
Fixed income	8,364,059	8,644,175
Real assets	1,000,000	796,264
Total mutual funds	<u>21,303,586</u>	<u>20,735,237</u>
Investment in limited partnerships		
Domestic equity	1,096,150	1,173,337
Other	1,398,179	1,810,857
Total investment limited partnerships	<u>2,494,329</u>	<u>2,984,194</u>
Alternative investments		
International equity	235,946	88,928
Other	3,500,000	4,127,678
Total alternative investments	<u>3,735,946</u>	<u>4,216,606</u>
	<u>\$ 33,556,815</u>	<u>\$ 34,054,300</u>
	Carrying Value	Market Value
September 30, 2010		
Corporate securities	\$ 6,017,536	\$ 6,547,198
Mutual funds		
Domestic equity	5,590,776	5,932,857
International equity	6,634,558	6,313,722
Fixed income	9,244,906	10,241,108
Total mutual funds	<u>21,470,240</u>	<u>22,487,687</u>
Investment in limited partnerships		
Domestic equity	1,530,329	1,750,212
Other	1,249,465	1,491,718
Total investment limited partnerships	<u>2,779,794</u>	<u>3,241,930</u>
Alternative investments		
International equity	235,946	89,577
Other	4,000,000	4,574,737
Total alternative investments	<u>4,235,946</u>	<u>4,664,314</u>
	<u>\$ 34,503,516</u>	<u>\$ 36,941,129</u>

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Analysis of Investments (Continued)

The relationship between carrying values and market values of investments during the periods ended September 30, 2011 and 2010 is summarized as follows:

	Carrying Value	Market Value	Excess of Market Value Over Carrying Value
Balance, September 30, 2011	\$ 33,556,815	\$ 34,054,300	\$ 497,485
Balance, September 30, 2010	\$ 34,503,516	\$ 36,941,129	\$ 2,437,613
Decrease in unrealized appreciation			<u>\$ (1,940,128)</u>

On March 1, 2009 the Directors of L-R Global Fund, Ltd. removed certain illiquid assets in a compulsory redemption to increase the fund's marketability and long-term vitality. These assets were transferred to a newly created Cayman Islands exempt company, L-R Global Fund II, Ltd., in exchange for 1,264.4738 Class A shares in L-R Global Fund, Ltd. The investment manager of L-R Global Fund II, Ltd. is L-R Managers LLC.

On December 1, 2009 the Foundation sold 28.3372 shares of L-R Global Fund II, Ltd. As a result, the Foundation now owns 1,151.1256 shares of the fund. Proceeds of \$2,191 were received on January 6, 2010.

On October 1, 2010, 500 shares of Apis Offshore Capital, Ltd., representing the Foundation's entire investment in this fund, were redeemed for a total of \$412,525. Per the terms in the Apis Offshore Capital, Ltd. subscription documents, \$371,244 was received on October 19, 2010. The remaining \$41,281 was received on April 29, 2011.

In January 2003, funds were used to purchase a joint investment partnership known as Frontier Mid Cap Growth Fund, L.P. These funds are managed and accounted for by Frontier Capital Management Co., LLC ("Frontier"). Frontier prepares monthly statements detailing fund assets, performance, and partnership balances. In addition, Frontier provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the investment partnership.

On July 3, 2006, funds were used to purchase a joint investment partnership known as AG Super Fund, L.P. These funds are managed and accounted for by Angelo, Gordon & Co., L.P. ("Angelo"). Angelo prepares monthly statements detailing fund assets, performance, and partnership balances. In addition, Angelo provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the investment partnership.

On June 26, 2007, funds were used to purchase an alternative investment known as Giovine Investment Partners International Ltd. These funds are managed and accounted for by Giovine Capital Group, LLC ("Giovine"). Giovine prepares monthly statements detailing fund assets, performance, and alternative investment fair market value. In addition, Giovine provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the alternative investment.

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Analysis of Investments (Continued)

On June 26, 2007, funds were used to purchase an alternative investment known as Taconic Opportunity Offshore Fund Ltd. These funds are managed and accounted for by Taconic Capital Advisors LLC ("Taconic"). Taconic prepares monthly statements detailing fund assets, performance, and alternative investment fair market value. In addition, Taconic provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the alternative investment.

On December 28, 2007, funds were used to purchase an alternative investment known as Goldentree Offshore Fund, Ltd. These funds are managed and accounted for by Goldentree Asset Management LP ("Goldentree"). Goldentree prepares monthly statements detailing fund assets, performance, and alternative investment fair market value. In addition, Goldentree provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the alternative investment.

On March 18, 2008, funds were used to purchase a joint investment partnership known as Montauk TriGuard Fund IV LP. These funds are managed and accounted for by TriGuard Management LLC ("Triguard"). TriGuard prepares quarterly financial statements detailing fund assets, performance, and partnership balances. In addition, TriGuard provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the investment partnership.

On March 2, 2009, funds were used to purchase an alternative investment known as York Credit Opportunities Unit Trust. These funds are managed and accounted for by York Credit Opportunities Offshore Holdings, LLC ("York"). York prepares monthly statements detailing fund assets, performance, and alternative investment fair market value. In addition, York provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the alternative investment.

On June 30, 2011, funds were used to purchase a joint investment partnership known as Montauk TriGuard Fund V LP. These funds are managed and accounted for by TriGuard Management LLC ("Triguard"). TriGuard prepares quarterly financial statements detailing fund assets, performance, and partnership balances. In addition, TriGuard provides calendar year audited financial statements annually. Other than investment management fees, no expenditures or grants are paid out of the investment partnership.

Note 4. Fair Value

FASB ASC 820, *Fair Value Measurements*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available. The three-level hierarchy for fair value measurements is defined as follows:

Level 1 - quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - observable market-based inputs or unobservable inputs that are corroborated by market data. May include quoted prices in a market that is not active.

Level 3 - unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 4. Fair Value (Continued)

The following tables summarize the Foundation's assets carried at fair value within the FASB ASC 820 fair value hierarchy levels as of September 30, 2011:

Assets at Fair Value as of September 30, 2011

Description	Level 1	Level 2	Level 3	Total
Corporate securities	\$ 6,118,263	\$ -	\$ -	\$ 6,118,263
Mutual funds				
Domestic equity	4,702,506	-	-	4,702,506
International equity	6,592,292	-	-	6,592,292
Fixed income	8,644,175	-	-	8,644,175
Real assets	796,264	-	-	796,264
Total mutual funds	20,735,237	-	-	20,735,237
Investment in limited partnerships				
Domestic equity	-	1,173,337	-	1,173,337
Other	-	-	1,810,857	1,810,857
Total investment in limited partnerships	-	1,173,337	1,810,857	2,984,194
Alternative investments				
International equity	-	-	88,928	88,928
Other	-	-	4,127,678	4,127,678
Total alternative investments	-	-	4,216,606	4,216,606
	\$ 26,853,500	\$ 1,173,337	\$ 6,027,463	\$ 34,054,300

The following table summarizes the changes in the Foundation's Level 3 assets for the year ended September 30, 2011:

Level 3 Assets
For the Year Ended September 30, 2011

	Limited Partnerships	Alternative Investments	Total
Balance, beginning of year	\$ 1,491,718	\$ 4,664,314	\$ 6,156,032
Net realized gains/(losses)	(4,990)	(87,507)	(92,497)
Net change in unrealized gains	170,424	52,292	222,716
Purchases, sales and settlements	153,705	(412,493)	(258,788)
Transfers in and/or out of Level 3	-	-	-
Balance, September 30, 2011	\$ 1,810,857	\$ 4,216,606	\$ 6,027,463

Note 5. Functional Classification of Expenses

The Foundation's mission statement and only program is to provide grants to charitable organizations operating in San Diego County, with the goal of bettering the lives of County residents. As such, the only program service expense is grants paid and payable of \$1,964,700 and \$1,874,339 for the years ended September 30, 2011 and 2010, respectively. The remaining expenses, \$304,378 and \$295,123 for the years ended September 30, 2011 and 2010, respectively, are classified as management and general activities.

THE PARKER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 6. Federal Excise Tax

In accordance with the applicable provisions of the Internal Revenue Code, the Foundation is subject to an excise tax on net investment income, including realized gains. For the year ended September 30, 2011, the estimated tax liability calculated was \$12,609 (using the 1% excise tax rate). For the years ended September 30, 2010 and 2009, the actual tax liability was \$6,907 and \$6,982, respectively.

In addition, the Internal Revenue Code requires that certain minimum distributions be made in accordance with a specified formula. As of September 30, 2010, the Foundation's undistributed income is \$3,214 which is required to be distributed in the year ending September 30, 2011. As of September 30, 2011, this amount had been distributed. The calculation of the minimum distribution amount and any amounts distributed in excess of the minimum are done annually, in conjunction with the preparation of the Foundation's income tax return.

Note 7. Distributable Income

The Board, on an annual basis, determines a grant budget that will equal or exceed the minimum distribution requirement of the Internal Revenue Code applicable to that fiscal year.

Note 8. Grants Payable and Commitments

Grants which have been approved by the Board but not yet disbursed are reported as grants payable. Grants payable totaled \$285,000 and \$290,000 for the years ended September 30, 2011 and 2010, respectively. As of September 30, 2011, the Foundation has approved grants amounting to \$225,000 that are subject to the satisfaction of prior conditions by the intended recipients before payment. It is anticipated that these conditions will be satisfied and all funds will be disbursed within the coming year.

As of September 30, 2010, the Foundation had approved \$535,000 of grants subject to the satisfaction of prior conditions; during the year ended September 30, 2011, the Foundation disbursed \$435,000 of these funds. During the year ended September 30, 2011, the Foundation approved an additional \$250,000 of grants subject to the satisfaction of prior conditions; during the year ended September 30, 2011, \$125,000 of these funds were disbursed by the Foundation.

In March, 2008, the Foundation signed a funding commitment of \$1,000,000 with the Montauk TriGuard Fund IV, to be drawn-down on an as-needed basis, as determined by Montauk TriGuard Fund IV's General Partner. The Foundation's remaining unpaid commitment at September 30, 2011 is \$430,000.

In June, 2011, the Foundation signed a funding commitment of \$500,000 with the Montauk TriGuard Fund V, to be drawn-down on an as-needed basis, as determined by Montauk TriGuard Fund V's General Partner. The Foundation's remaining unpaid commitment at September 30, 2010 is \$450,000.

Note 9. Significant Concentrations of Credit Risk

The Foundation maintains its cash balances primarily at Union Bank. At September 30, 2011, \$324 of the Foundation's cash and cash equivalents are federally insured; \$471,562 of the Foundation's cash and cash equivalents is invested in brokerage money market accounts, which are not federally insured.

Note 10. Subsequent Events

During the board meeting held November 2, 2011, conditional and nonconditional grants totaling \$360,500 were approved for payment.

SUPPLEMENTARY INFORMATION

THE PARKER FOUNDATION
 SCHEDULE I - GRANT ACTIVITY
 FOR THE PERIOD ENDED 09/30/11

	Balance	(W/Off)	Payments	Balance	(W/Off)	Payments	Balance	(W/Off)	Payments	Balance	(W/Off)	Payments	Balance
	09/30/10	Grants	Made	12/31/10	Grants	Made	03/31/11	Grants	Made	06/30/11	Grants	Made	09/30/11
		Authorized			Authorized			Authorized		Authorized			
		By BOD			By BOD			By BOD		By BOD			
Conditional Grants:													
211 San Diego	\$ 50,000	\$	\$	\$ 50,000	\$	\$	\$ 50,000	\$	\$	\$ 50,000	\$	\$ (50,000)	\$ -
A Reason to Survive [ARTS]	-			-			-			-	15,000		15,000
Alzheimer's Association	25,000			25,000			25,000			25,000		(25,000)	-
Bayside Community Center	-			-			-			-	10,000		10,000
Community Health Improvement Partners	-			-			-	25,000		25,000		(25,000)	-
Corporation for Supportive Housing	60,000		(60,000)	-			-			-			-
Cygnnet Theatre Company	15,000		(15,000)	-			-			-			-
Emilio Nares Foundation	-			-			-			-	12,500		12,500
Feeding America San Diego	-	50,000		50,000			50,000			50,000		(50,000)	-
Ion Theatre	10,000		(10,000)	-			-			-			-
Jacobs Center for Neighborhood Innovation	25,000		(25,000)	-			-			-			-
Japanese Friendship Garden Society of San Diego	-			-			-			-	7,500		7,500
KPBS	150,000		(50,000)	100,000			100,000			100,000			100,000
Media Arts Center San Diego	-	25,000		25,000			25,000		(25,000)	-			-
Mingei International Museum Inc.	11,000			11,000		(11,000)	-			-			-
Nonprofit Management Solutions	9,000		(9,000)	-			-			-			-
Parkinson's Association of San Diego	-			-			-			-	5,000		5,000
San Diego Blood Bank	30,000		(30,000)	-			-			-			-
San Diego Police Foundation	-			-			-			-	15,000		15,000
San Diego Youth Symphony and Conservatory	25,000			25,000			25,000		(25,000)	-			-
STAR PAL	-			-			-			-	25,000		25,000
Tariq Khamisa Foundation	-			-			-			-	35,000		35,000
Watchdog Institute	-			-			-	25,000		25,000		(25,000)	-
Zoological Society of San Diego	125,000			125,000		(125,000)	-			-			-
Total Conditional Grants Payable	\$ 535,000	75,000	\$ (199,000)	\$ 411,000	\$ -	\$ (136,000)	\$ 275,000	\$ 50,000	\$ (50,000)	\$ 275,000	\$ 125,000	\$ (175,000)	\$ 225,000
Nonconditional Grants:													
A New PATH	\$ -	\$	\$	\$ -	\$	\$	\$ -	\$	\$ 10,000	\$ (10,000)	\$	\$	\$ -
Americans For The Arts	-			-	5,000	(5,000)	-			-			-
Athenaeum Music & Arts Library	-			-			-	10,000	(10,000)	-			-
Balboa Park Collaborative [Benbough Operating Foundation]	-	10,000	(10,000)	-			-			-			-
Balboa Park Cultural Partnership	-	25,000	(25,000)	-			-			-			-
Bayside Community Center	-			-			-			-	10,000	(10,000)	-
Big Brothers Big Sisters of San Diego County	-	15,000	(15,000)	-			-			-			-
California Western School of Law	-			-			-	10,000	(10,000)	-			-
Casa Cornelia Legal Services	-			-			-	15,000	(15,000)	-			-
Chicano Federation	-			-			-			-	46,000	(46,000)	-
Child Welfare Collaborative [San Diego Youth Services]	-	2,500	(2,500)	-			-			-			-
ElderHelp	-			-			-	20,000	(20,000)	-			-
Elder Law & Advocacy	-	25,000	(25,000)	-			-			-			-
Emilio Nares Foundation	-			-			-			-	3,000	(3,000)	-
Equinox Center	-			-			-			-	15,000		15,000
Escondido Children's Museum	-			-			-	20,000	(20,000)	-			-
Fallbrook Food Pantry	-	1,500	(1,500)	-			-			-			-
Family Health Centers of San Diego	-			-			-	10,000	(10,000)	-			-
First Presbyterian Church of San Diego	-	10,000	(10,000)	-			-			-			-
Fresh Start Surgical Gifts	-			-			-	10,000	(10,000)	-			-
Friends of Hellhole Canyon Open Space Preserve	-			-			-	10,000	(10,000)	-			-
Healthy Start Military Family Resource Center [SAY San Diego]	-			-			-	30,000	(30,000)	-			-
Homeaid San Diego	-			-			-	30,000	(30,000)	-			-
Home Start, Inc.	-			-			-			-	20,000	(20,000)	-

Human Development Foundation	-	25,000	(25,000)	-	-	-	-	-	-	-	-	-	-
Interfaith Shelter Network	-	7,000	(7,000)	-	-	-	-	-	-	-	-	-	-
Jacobs Center for Neighborhood Innovation [Writerz Blok]	-	25,000	(25,000)	-	-	-	-	-	-	-	-	-	-
Jacobs Center for Neighborhood Innovation [SD Neighborhood Funde	-	-	-	-	-	-	-	-	7,500	(7,500)	-	-	-
Japanese Friendship Garden Society of San Diego	-	-	-	-	-	-	-	-	15,000	-	15,000	-	-
Just In Time For Foster Youth	-	-	-	-	-	-	-	-	35,000	(35,000)	-	-	-
Lakeside's River Park Conservancy	-	-	-	-	-	5,200	(5,200)	-	-	-	-	-	-
La Maestra Family Clinic	-	-	-	-	-	-	-	-	25,000	(25,000)	-	-	-
Madeleine Sophie's Center	-	-	-	-	-	-	-	-	5,000	-	5,000	-	-
Mainly Mozart	-	-	-	-	-	30,000	(30,000)	-	-	-	-	-	-
Monarch High School Project	-	-	-	-	-	-	-	-	100,000	(50,000)	50,000	-	-
Mo'olelo Performing Arts Company	-	-	-	25,000	(25,000)	-	-	-	-	-	-	-	-
Moonlight Cultural Foundation	-	-	-	-	-	-	-	-	25,000	(25,000)	-	-	-
Museum of Contemporary Art San Diego	-	75,000	(75,000)	-	-	-	-	-	-	-	-	-	-
NTC Promenade	100,000	-	-	100,000	-	100,000	-	100,000	-	-	100,000	-	-
North County Lifeline, Inc.	-	-	-	20,000	(20,000)	-	-	-	-	-	-	-	-
North County Trade Tech High School	-	-	-	-	-	-	-	-	20,000	(20,000)	-	-	-
Outdoor Outreach	-	15,000	(15,000)	-	-	-	-	-	-	-	-	-	-
Parkinson's Association of San Diego	-	-	-	-	-	-	-	-	5,000	-	5,000	-	-
Pro Kids Golf Academy	-	-	-	-	-	-	-	-	20,000	-	20,000	-	-
Public Conservations West	-	-	-	-	-	-	-	-	10,000	(10,000)	-	-	-
Regional Task Force for the Homeless	-	1,000	(1,000)	-	-	-	-	-	15,000	(15,000)	-	-	-
Reuben H. Fleet Science Center	-	60,000	(60,000)	-	-	-	-	-	-	-	-	-	-
Ronald McDonald House Charities of San Diego	-	11,000	(11,000)	-	-	-	-	-	-	-	-	-	-
San Diego Adaptive Sports Foundation	-	-	-	-	-	-	-	-	15,000	(15,000)	-	-	-
San Diego Air & Space Museum	-	-	-	35,000	(35,000)	-	-	-	-	-	-	-	-
San Diego Ballet	-	-	-	-	-	-	-	-	17,500	(17,500)	-	-	-
San Diego Center for Children	-	25,000	(25,000)	-	-	-	-	-	-	-	-	-	-
San Diego Children's Choir	-	-	-	-	-	20,000	(20,000)	-	-	-	-	-	-
San Diego Dance Theatre	-	-	-	-	-	-	-	-	17,500	(17,500)	-	-	-
San Diego Grantmakers	-	-	-	-	-	-	-	-	2,500	(2,500)	-	-	-
San Diego Habitat for Humanity	-	30,000	(30,000)	-	-	-	-	-	-	-	-	-	-
San Diego Habitat for Humanity Returned Grant	-	-	-	-	-	-	-	-	(30,000)	30,000	-	-	-
San Diego Human Dignity Foundation	-	-	-	-	-	-	-	-	10,000	(10,000)	-	-	-
San Diego Museum of Art	150,000	-	-	150,000	-	150,000	-	150,000	-	(75,000)	75,000	-	-
San Diego Opera Association	-	-	-	-	-	75,000	(75,000)	-	-	-	-	-	-
San Diego Repertory Theatre	-	20,000	(20,000)	-	-	-	-	-	-	-	-	-	-
San Diego Youth Services [San Diego Youth & Community Services]	-	25,000	(25,000)	-	-	-	-	-	20,000	(20,000)	-	-	-
Sharp Healthcare Foundation	-	-	-	-	-	-	-	-	50,000	(50,000)	-	-	-
South Bay Community Services	-	-	-	15,000	(15,000)	-	-	-	-	-	-	-	-
St. Paul's Retirement Homes Foundation	20,000	-	-	20,000	(20,000)	-	-	-	-	-	-	-	-
Stepping Stone of San Diego	-	-	-	-	-	20,000	(20,000)	-	-	-	-	-	-
TEDx Youth San Diego	-	-	-	-	-	-	-	-	2,500	(2,500)	-	-	-
TERI, Inc.	-	-	-	-	-	-	-	-	25,000	(25,000)	-	-	-
Thomas Jefferson School of Law	-	-	-	-	-	10,000	(10,000)	-	-	-	-	-	-
The Arc of San Diego	20,000	-	(20,000)	-	-	-	-	-	-	-	-	-	-
Villa Musica	-	-	-	4,000	(4,000)	-	1,000	(1,000)	-	-	-	-	-
Work Force Collaborative [San Diego Workforce Partnership]	-	25,000	(25,000)	-	-	-	-	-	-	-	-	-	-
Young Audiences of San Diego	-	25,000	(25,000)	-	-	-	-	-	-	-	-	-	-
Total Nonconditional Grants Payable	\$ 290,000	458,000	\$ (478,000)	\$ 270,000	\$ 104,000	\$ (124,000)	\$ 250,000	\$ 336,200	\$ (336,200)	\$ 250,000	\$ 506,500	\$ (471,500)	\$ 285,000
Total Grants	\$ 825,000	533,000	\$ (677,000)	\$ 681,000	\$ 104,000	\$ (260,000)	\$ 525,000	\$ 386,200	\$ (386,200)	\$ 525,000	\$ 631,500	\$ (646,500)	\$ 510,000
Denipster-Larsen Grants (bold)	\$ 21,000	\$ 120,000	\$ (130,000)	\$ 11,000	\$ 29,000	\$ (40,000)	\$ -	\$ 86,000	\$ (86,000)	\$ -	\$ 35,000	\$ (35,000)	\$ -

See Independent Accountant's Report