

WALTER AND ELISE HAAS FUND

DECEMBER 31, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL INFORMATION

# Walter and Elise Haas Fund

## Independent Auditors' Report, Financial Statements and Supplemental Information

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A Century Strong

## **Independent Auditors' Report**

THE BOARD OF TRUSTEES  
WALTER AND ELISE HAAS FUND  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **WALTER AND ELISE HAAS FUND (the Fund)**, which comprise the statement of financial position as of December 31, 2017 and 2016, the related statements of changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Walter and Elise Haas Fund as of December 31, 2017 and 2016, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Supplemental Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Hood & Strong LLP*

San Francisco, California  
September 14, 2018

# Walter and Elise Haas Fund

## Statement of Financial Position

<i>December 31,</i>	2017	2016
<b>Assets</b>		
Cash	\$ 2,444,825	\$ 823,517
Receivables - investments in transit	2,793,329	2,203,401
Investments, at fair value	225,659,891	208,759,351
Property and equipment, net	681,042	583,475
Other assets	62,541	319,516
<b>Total assets</b>	<b>\$ 231,641,628</b>	<b>\$ 212,689,260</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Grants payable	\$ -	\$ 1,000
Creative Work Fund	299,534	-
Accounts payable and accrued expenses	527,309	454,528
Deferred taxes	829,000	245,000
<b>Total liabilities</b>	<b>1,655,843</b>	<b>700,528</b>
<b>Unrestricted Net Assets</b>	<b>229,985,785</b>	<b>211,988,732</b>
<b>Total liabilities and net assets</b>	<b>\$ 231,641,628</b>	<b>\$ 212,689,260</b>

See accompanying notes to financial statements.

## Walter and Elise Haas Fund

### Statement of Changes in Net Assets

<i>Years Ended December 31,</i>	2017	2016
<b>Revenue:</b>		
Dividends, interest and partnership income	\$ 3,629,211	\$ 3,891,132
Net gain on investments:		
Realized	13,173,362	5,882,787
Unrealized	17,001,967	2,093,928
Other income	45,034	579
Loss on asset disposal	-	(5,475)
<b>Total revenue</b>	<b>33,849,574</b>	<b>11,862,951</b>
<b>Expenses:</b>		
Grants	11,076,804	11,625,645
Grants management	3,179,993	2,842,539
Investment management and related fees	699,724	1,380,461
Excise tax expense	896,000	99,000
<b>Total expenses</b>	<b>15,852,521</b>	<b>15,947,645</b>
<b>Change in Net Assets</b>	<b>17,997,053</b>	<b>(4,084,694)</b>
<b>Unrestricted Net Assets, beginning of year</b>	<b>211,988,732</b>	<b>216,073,426</b>
<b>Unrestricted Net Assets, end of year</b>	<b>\$ 229,985,785</b>	<b>\$ 211,988,732</b>

See accompanying notes to financial statements.

## Walter and Elise Haas Fund

### Statement of Cash Flows

<i>Years Ended December 31,</i>	2017	2016
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 17,997,053	\$ (4,084,694)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	65,806	25,577
Loss on disposal of property and equipment	-	5,475
Realized gain on investments	(13,173,362)	(5,882,787)
Unrealized gain on investments	(17,001,967)	(2,093,928)
Deferred taxes	584,000	21,000
Changes in operating assets and liabilities:		
Other assets	256,975	(119,859)
Creative Work Fund	299,534	(19,502)
Accounts payable and accrued expenses	72,781	207,814
Grants payable	(1,000)	1,000
Net cash used by operating activities	(10,900,180)	(11,939,904)
<b>Cash Flows from Investing Activities:</b>		
Sales of investments	23,991,715	23,175,380
Purchases of investments	(10,716,926)	(13,352,092)
Investments in transit	(589,928)	35,391
Purchases of property and equipment	(163,373)	(574,531)
Net cash provided by investing activities	12,521,488	9,284,148
<b>Net Change in Cash</b>	1,621,308	(2,655,756)
<b>Cash, beginning of year</b>	823,517	3,479,273
<b>Cash, end of year</b>	\$ 2,444,825	\$ 823,517
<b>Supplemental Disclosures:</b>		
Cash paid for federal excise taxes	\$ 119,000	\$ 76,000

See accompanying notes to financial statements.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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### Note 1 - Organization:

The Walter and Elise Haas Fund (the Fund) is a private foundation established in 1952. The Fund makes contributions to organizations involved in the arts, economic security, Jewish life, public education and other grantmaking interests. Only organizations that are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or certain governmental agencies are considered for support.

#### *Grantmaking Areas:*

##### Arts

The Fund's arts grantmaking helps Bay Area residents to appreciate and benefit from art's full potential to build cross-cultural understanding, explore ideas, and enrich their lives. Grantmaking reflects the Fund's beliefs that arts education is essential, that the arts build resilient communities, and that artists engage us through collaboration.

##### Economic Security

The purpose of the Fund's grantmaking in economic security is to help low-income adults and families achieve economic security and upward mobility. Grantmaking reflects the Fund's beliefs that quality employment is essential, that assets fuel mobility, and that policy must expand opportunity.

##### Jewish Life

The purpose of the Fund's grantmaking in Jewish life is to support a vibrant, inclusive, Jewish community that is meaningful, compelling, and responsive to contemporary concerns. Grantmaking reflects the Fund's beliefs that diversity is a strength, social justice is a mandate, and innovation is imperative.

##### Education

The purpose of the Fund's grantmaking in education is to help ensure that public school students furthest from opportunity are in schools and classrooms with exceptional teachers. Grantmaking reflects the Fund's efforts to attract talent to public education, keep great teachers teaching, and build learning communities of practice and support.

##### Other Grantmaking Interests

The Fund is also engaged in capital, safety net and disaster preparedness grants, as well as certain legacy and mission-related special grantmaking. Legacy grantmaking encompasses several programs, each of which has a direct relationship to the Fund's founders, Walter and Elise Haas. Mission-related special grantmaking provides the Fund flexibility to respond to emerging and changing community needs, and to address key areas of interest that cut across or otherwise support the Fund's overall mission and categorical programs.



# Walter and Elise Haas Fund

## Notes to Financial Statements

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### Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting and Presentation

The financial statements of the Fund have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to not-for-profit organizations.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Unrestricted net assets are those that are neither temporarily restricted nor permanently restricted by donor-imposed stipulations. There are no temporarily or permanently restricted net assets as of December 31, 2017 and 2016.

b. Cash

For purposes of reporting cash flows, cash includes the Fund's operating checking account.

c. Investments

Investments are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the statements of changes in net assets. Dividend and interest income are accrued when earned. The fair value of equity and fixed income funds are based on their quoted prices. The fair value of alternative investments is determined using the Net Asset Value per share as determined by investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

d. Fair Value Measurements

The Fund carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Fund to classify these financial instruments into a three-level hierarchy. The Fund classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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e. Property and Equipment

Equipment and furnishings are stated at cost and depreciated over five to seven years using the straight-line method. Leasehold improvements are stated at cost and are amortized using the straight-line method over the remaining life of the lease.

f. Grants

Grants awarded with an unconditional promise to give are accrued as a liability and expensed when approved. Grant cancellations or unspent funds are recorded in the year cancelled or when the funds are returned.

g. Creative Work Fund

The Fund is participating in and administering the Creative Work Fund, a collaborative funding initiative with other organizations that supports the creation of new work in the Bay Area by artists and exempt organizations. Only 501(c)(3) organizations are eligible for grants. The Fund records amounts received and paid on behalf of the other participating foundations as agency transactions. Therefore, no revenue or expense is recorded for the amounts received from the other participating foundations or for their share of the grants.

Administrative expenses are shared by participating foundations, based on each foundation's proportionate rate of contributions.

h. Federal Excise Taxes

The Fund is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the California Revenue and Taxation Code.

The Fund is subject to federal excise tax on its investment income. A provision for federal excise tax is accrued. Deferred excise taxes arise primarily from unrealized tax basis gains on investments and are calculated at the effective rate expected to be paid by the Fund. In addition, the Fund may be subject to tax on unrelated business income, if any, generated by its investments.

The Fund follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 for accounting for uncertainty in income taxes. As of December 31, 2017 and 2016, management evaluated the Fund's tax positions and concluded that the Fund had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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i. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions 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.

j. Recent Accounting Pronouncements

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update are designed to assist entities in evaluating whether transactions should be accounted for as contributions, or as exchange transactions, as well as determining whether a contribution is conditional. The amendments in this ASU related to the contributions received are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The amendments in this ASU related to the contributions made are effective for annual financial statements issued for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact the amendments in this ASU will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early adoption is permitted. Amendments should be applied on a retrospective basis in the year the update is first applied. Management is currently evaluating the impact the amendments in this ASU will have on the financial statements.

In February 2016, the FASB issued amendments to ASU 2016-02, *Leases*. Among other things, lessees will be required to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact the amendments in this ASU will have on the financial statements.

# Walter and Elise Haas Fund

## Notes to Financial Statements

### k. Subsequent Events

The management of the Fund has reviewed the changes in its net assets for the period from December 31, 2017 through September 14, 2018, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements and no subsequent events have occurred which would require disclosure.

### Note 3 - **Investments and Fair Value Measurements:**

#### *Investments:*

At December 31, 2017 and 2016, the fair market value of investments consists of the following:

	2017	2016
Money market accounts	\$ 201,037	\$ 197,233
Global equity fund	21,918,582	19,073,480
Intermediate term bond fund	11,709,292	10,141,811
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Subtotal	33,828,911	29,412,524
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Alternative investments measured at net asset value:		
Absolute return/market neutral:		
Multi-strategy	2,909,767	3,014,421
Equity/debt securities	36,324	90,123
Real assets	5,516,489	7,066,376
Private equity	21,875,810	23,253,204
Pooled funds	161,492,590	145,922,703
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Subtotal alternative investments measured at net asset value	191,830,980	179,346,827
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Total	\$ 225,659,891	\$ 208,759,351

#### *Fair Value Measurements:*

Investments include money market funds, a global equity fund and an intermediate term bond fund with a cumulative fair value of \$33,828,911 and \$29,412,524 at December 31, 2017 and 2016, respectively and are considered level 1 measurements. There are no investments classified using level 2 or 3 measurements.

# Walter and Elise Haas Fund

## Notes to Financial Statements

In accordance with Subtopic 820-10, the alternative investments held by the Fund are valued using the Net Asset Value (NAV) per share (or its equivalent) practical expedient. These investments have not been classified in the fair value hierarchy.

### Note 4 - Net Asset Value Disclosure:

The following table lists those investments by major category which are reported at NAV as of December 31, 2017 and 2016:

Strategies	2017		2016		Redemption Frequency	Notice Period
	# of Funds	Valuation	# of Funds	Valuation		
<b>Absolute return/ market neutral (a):</b>						
Multi-strategy: Redeemable	3	\$ 2,909,767	3	\$ 3,014,421	Bi-annually - Annually	45 - 60 days
Equity/debt securities: Non-redeemable	1	36,324	1	90,123		
<b>Real assets (b):</b>						
Natural resources: Non-redeemable	6	4,879,762	6	6,250,034		
Real Estate	3	636,727	3	816,342		
<b>Private equity (c):</b>						
Venture capital funds	12	20,264,437	12	21,140,407		
Closed-end	6	1,611,373	6	2,112,797		
<b>Pooled funds:</b>						
Multi-asset fund (d)	1	9,473,473	1	9,206,155	Daily	
Multi-hedge fund (e)	1	152,019,117	1	136,716,548	Quarterly	180 days
<b>Total</b>	<b>33</b>	<b>\$ 191,830,980</b>	<b>33</b>	<b>\$ 179,346,827</b>		

# Walter and Elise Haas Fund

## Notes to Financial Statements

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- a) The strategy of the Absolute Return and Market Neutral portfolio is to provide diversification benefits to the overall portfolio through lower correlation to other traditional asset classes (e.g. Equity and Fixed Income) and to provide a buffer during equity market declines. The Absolute Return/Market Neutral investment includes a number of funds with varying strategies, including Multi-strategy and Equity/Debt funds.

Multi-strategy managers invest in a wide variety of securities, typically rotating between equity, bank debt, convertible bonds, and other fixed income securities depending on the manager's view on relative attractiveness, with the objective of exploiting arbitrage opportunities or identifying undervalued assets without incurring systemic market risk.

The Equity and Debt strategy takes positions in securities the manager finds attractive and anticipates will appreciate in value and short portions in securities the manager believes will underperform. The fund is not redeemable during the lock-up period. Additionally, the fund does not hold non-redeemable securities nor does the fund invest in side pockets.

- b) This strategy invests in real estate and natural resources, both domestic and international. Natural resource funds invest primarily in crude oil, natural gas production and timberland. These funds generally cannot be redeemed and liquidity is expected in the form of distributions from the funds when the underlying assets are sold over the life of the partnerships, which is estimated to be over three to 17 years. Unfunded commitments were \$941,659 and \$1,157,124 at December 31, 2017 and 2016, respectively.
- c) Private equity funds are comprised of domestic and international venture capital investments with the objective of long-term growth of capital. The partnerships typically have a legal life span of one to 14 years with no redemption rights for the limited partners. The funds also include non-redeemable closed-end opportunistic funds invested over a projected two-year to five-year holding period for real estate related and other debt and equity securities. Unfunded commitments were \$2,332,176 and \$2,762,426 at December 31, 2017 and 2016, respectively.
- d) The Multi-Asset Fund seeks to achieve its objective through two principal means: (1) diversification across multiple asset classes and (2) active security selection. As a "multi-manager" fund in addition to an investments advisor, this fund engages independent money managers to manage a portion of its assets. The Multi-Asset Fund shares may be redeemed on any business day upon a member's request.
- e) The multi-hedge fund (Keystone Fund) employs strategies including: hedge fund strategies, private equity strategies, private real estate strategies and other resource strategies. The Keystone Fund is subject to quarterly redemption with a 180-day redemption notice period. Purchases are subject to a one year lock up period. At least 50% (and up to 100%) of any amount withdrawn will be paid within 30 days. The remaining will be paid as soon as possible, but no later than three years from the redemption date.

# Walter and Elise Haas Fund

## Notes to Financial Statements

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### Note 5 - Summary of Fund Operations:

A summary of the Fund's operations since inception, April 27, 1952, is as follows:

Contributions to the Fund	\$ 126,620,588
Increase in net assets, excluding grants	432,148,290
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	558,768,878
Less: Grants	(328,783,093)
	<hr/>
Net assets, December 31, 2017	\$ 229,985,785

### Note 6 - Commitments:

#### a. Grants

Multi-year grants are made on a conditional basis and are not recorded until the condition has been met. The conditional grants are subject to review and approval of program and financial reports and a work plan and budget for the ensuing year(s) of the grant.

Conditional grant commitments outstanding were \$3,317,666 and \$2,980,000 as of December 31, 2017 and 2016, respectively.

#### b. Operating Lease

The Fund leases its office space through November 2026. Under the lease, the Fund shares office space with another entity, with the Fund utilizing approximately 50% of the space. Additionally, the Fund has an equipment lease through May 2020. The future minimum lease payments under the above leases (at the Fund's estimated share) are approximately as follows:

Year Ended,	
2018	\$ 197,500
2019	202,900
2020	207,700
2021	208,500
2022	210,300
Thereafter	870,600
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	\$ 1,897,500

# Walter and Elise Haas Fund

## Notes to Financial Statements

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Rent expense totaled \$203,815 and \$218,115 for the years ended December 31, 2017 and 2016, respectively.

c. Investments

The Fund has capital commitments totaling \$3,273,835 and \$3,919,550 as of December 31, 2017 and 2016, respectively.

**Note 7 - Excise Taxes:**

In accordance with applicable Treasury regulations, the Fund is classified as a private foundation subject to an excise tax of two percent on net investment income, including realized gains. The Fund is eligible to reduce its tax liability from two percent to one percent of net investment income if a certain level of distributions, calculated as defined in the Treasury regulations, is attained. The tax rate for the current excise tax provision was two percent for 2017 and one percent for 2016. The Fund provides for deferred excise tax at the rate of two percent on its unrealized appreciation on investments.

The provision for current and deferred excise taxes for the years ended December 31, 2017 and 2016 was as follows:

	2017	2016
Current excise tax	\$ 312,000	\$ 78,000
Deferred excise tax	584,000	21,000
<b>Total</b>	<b>\$ 896,000</b>	<b>\$ 99,000</b>

The Fund is subject to the distribution requirements of the Internal Revenue Code. The minimum amount of distributions to be made annually is calculated in accordance with a specified formula. The Fund complied with the distribution requirements through December 31, 2017.

**Note 8 - Retirement Plan:**

The Fund has a 403(b) retirement plan covering all eligible employees whereby the Fund contributes 15 percent of compensation for all eligible employees. Fund contributions to the plan amounted to \$191,243 and \$187,571 for the years ended December 31, 2017 and 2016, respectively.



# Walter and Elise Haas Fund

## Notes to Financial Statements

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### **Note 9 - Concentrations of Risk:**

Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility. The alternative investments include additional risks such as limited liquidity, absence of oversight, non-marketable investments and dependence on key individuals. To address the risk of investments, the Fund maintains a formal investment policy that sets out performance criteria, investment guidelines, asset allocation guidelines and requires review of the investment performance.

As of December 31, 2017 and 2016, one investment in the Pooled Funds Strategy represented 67% and 65% of total investments, respectively. However, this investment is diversified.

In addition to investments, concentrations of market and credit risk exist for cash.

### **Note 10 - Related Party Transaction:**

The Fund contracts with Argonaut Securities Company (Argonaut) for accounting and tax services. One member of the Fund's Board owns a portion of the stock of Argonaut. Three individuals unrelated to the Fund own the remainder of the stock. Fees are based upon actual charges incurred. The fees for accounting services performed by Argonaut were approximately \$255,300 and \$234,500 for the years ended December 31, 2017 and 2016, respectively.

# Walter and Elise Haas Fund

## Investments

(See Independent Auditors' Report)

Year Ended December 31, 2017										Schedule 1
Investment Manager	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		Realized Gain (Loss)	Total	
						Dividends, Interest and Partnership Income (Loss)				
<b>Equities, Bonds and General</b>										
Mutual Funds - equities, bonds (excluding Perry Partner Int'l Fund)	\$ 29,980,379	\$ 33,828,911	\$ 3,848,532	\$ 3,572,003	\$ 15,904	\$ 762,147	\$ 679,313	\$ 1,441,460		
<b>Pooled Funds</b>										
TIFF Multi-Asset Fund	10,651,627	9,473,473	(1,178,154)	267,318	-	1,131,893	274,284	1,406,177		
TIFF Keystone Fund	117,966,206	152,019,117	34,052,911	14,223,675	553,526	411,414	9,669,601	10,081,015		
<b>Absolute Return/Market Neutral</b>										
Farallon Capital Institutional Partners	3,812,145	2,793,050	(1,019,095)	(653,410)	24,363	586,807	400,280	987,087		
Highfields Capital IV	605,128	32,457	(572,671)	(7,364)	184	(444)	73	(371)		
OZ Overseas Fund	111,427	36,324	(75,103)	6,602	4	(1,565)	(11,714)	(13,279)		
Perry Partners International Fund	127,774	84,260	(43,514)	5,414	-	-	12,903	12,903		
<b>Real Assets</b>										
Park Street Capital Natural Resource Fund II	1,368,620	999,533	(369,087)	(595,663)	1,313	110,592	341,288	451,880		
Park Street Capital Natural Resource Fund II AIV	181,393	13,055	(168,338)	(1,991)	180	9,858	(16,017)	(6,159)		
Park Street Capital Natural Resource Fund II AIV II	132,084	32,857	(99,227)	(5,794)	85	(15,204)	9,300	(5,904)		
Park Street Capital Natural Resource Fund III	1,173,571	1,345,248	171,677	(115,670)	2,188	(39,398)	49,930	10,532		
Park Street Capital Natural Resource Fund III Investment Corp	18,760	19,775	1,015	(7,382)	144	(1,178)	7,268	6,090		
Park Street Capital Natural Resource Fund V	2,162,966	2,469,294	306,328	98,392	15,000	(30,619)	119,684	89,065		
Lonestar Real Estate	182,644	183,568	924	21,065	636	(14,832)	(7,694)	(22,526)		
Lonestar Real Estate II	121,297	148,427	27,130	(55,202)	490	96,888	(29,778)	67,110		
Metropolitan Real Estate Partners Global II	296,255	304,732	8,477	(25,927)	-	43,686	11,199	54,885		
<b>Private Equity</b>										
Commonfund Capital International Partners V	285,374	246,621	(38,753)	(55,081)	2,348	4,484	85,645	90,129		
Commonfund Capital International Partners VI	1,204,123	1,288,157	84,034	(110,830)	9,271	11,843	391,607	403,450		
Commonfund Capital Private Equity Partners VI	454,167	543,056	88,889	(59,070)	4,469	(336)	129,269	128,933		
Commonfund Capital Private Equity Partners VII	1,317,233	2,192,365	875,132	27,600	9,292	5,429	457,963	463,392		
Commonfund Capital Venture Partners VIII	1,252,705	2,509,460	1,256,755	(50,115)	8,291	(30,910)	286,486	255,576		
Endowment Private Equity Partners IV	-	130,081	130,081	(24,207)	472	(223)	59,972	59,749		
Endowment Venture Partners V	141,864	133,999	(7,865)	(2,272)	520	(642)	(3,030)	(3,672)		
Legacy Venture II	447,605	617,281	169,676	223,972	-	6,899	(280,770)	(273,871)		
Legacy Venture III	873,636	1,247,392	373,756	61,416	-	(12,128)	97,384	85,256		
Legacy Venture IV	1,448,263	2,961,706	1,513,443	(59,533)	6,000	11,281	257,567	268,848		
Legacy Venture V (QP)	2,532,863	4,255,154	1,722,291	231,577	22,000	(5,264)	302,699	297,435		
Legacy Venture VI (QP)	2,424,574	4,139,165	1,714,591	499,842	22,500	(4,219)	171,656	167,437		
Lonestar Europe Holding (US)	246,665	266,124	19,459	(53,032)	102	29,191	15,908	45,099		
Lonestar Fund IV	667,405	33,326	(634,079)	(53,018)	-	166,250	(390)	165,860		
Lonestar Fund V	424,162	464,093	39,931	(219,429)	56	70,114	(68,483)	1,631		
Lonestar Fund VI	1,004,280	556,631	(447,649)	(60,575)	373	247,258	(167,388)	79,870		
Lonestar Fund VII	17,634	13,065	(4,569)	8,019	13	17,341	(49,801)	(32,460)		
Lonestar US Investment	532,235	278,134	(254,101)	(29,363)	-	62,798	(22,852)	39,946		
<b>Total</b>	<b>\$ 184,167,064</b>	<b>\$ 225,659,891</b>	<b>\$ 41,492,827</b>	<b>\$ 17,001,967</b>	<b>\$ 699,724</b>	<b>\$ 3,629,211</b>	<b>\$ 13,173,362</b>	<b>\$ 16,802,573</b>		

# Walter and Elise Haas Fund

## Investments

(See Independent Auditors' Report)

Year Ended December 31, 2016

Schedule 1

Investment Manager	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		Total
						Dividends, Interest and Partnership Income (Loss)	Realized Gain (Loss)	
<b>Equities, Bonds and General</b>								
Mutual Funds - equities, bonds (excluding Perry Partner Int'l Fund)	\$ 29,135,996	\$ 29,412,524	\$ 276,528	\$ 1,297,183	\$ 16,356	\$ 739,676	\$ 65,580	\$ 805,256
<b>Pooled Funds</b>								
TIFF Multi-Asset Fund	10,651,627	9,206,155	(1,445,472)	188,571	-	87,090	135,527	222,617
TIFF Keystone Fund	116,887,312	136,716,548	19,829,236	549,385	1,196,843	2,622,192	4,718,114	7,340,306
<b>Absolute Return/Market Neutral</b>								
Farallon Capital Institutional Partners	3,214,543	2,848,858	(365,685)	274,287	28,098	31,839	36,577	68,416
Highfields Capital IV	640,320	75,013	(565,307)	(3,472)	87	2,449	152	2,601
OZ Overseas Fund	171,828	90,123	(81,705)	(7,556)	(33)	2,999	(575)	2,424
Perry Partners International Fund	139,478	90,550	(48,928)	9,872	-	-	12,903	12,903
<b>Real Assets</b>								
Park Street Capital Natural Resource Fund II	1,828,311	2,054,887	226,576	99,310	1,454	(11,715)	(100,016)	(111,731)
Park Street Capital Natural Resource Fund II AIV	187,732	21,385	(166,347)	6,556	200	(38,038)	18,257	(19,781)
Park Street Capital Natural Resource Fund II AIV II	138,073	44,640	(93,433)	13,298	95	32,710	(29,831)	2,879
Park Street Capital Natural Resource Fund III	1,450,227	1,737,574	287,347	99,083	11,252	25,974	(50,324)	(24,350)
Park Street Capital Natural Resource Fund III Investment Corp	26,314	34,711	8,397	(16,412)	-	(2,407)	31,502	29,095
Park Street Capital Natural Resource Fund V	2,148,901	2,356,837	207,936	661,054	16,099	(160,001)	37,869	(122,132)
Lonestar Real Estate	205,806	185,665	(20,141)	24,322	739	(448)	(38,779)	(39,227)
Lonestar Real Estate II	183,797	266,129	82,332	22,315	731	71,163	(54,090)	17,073
Metropolitan Real Estate Partners Global II	330,144	364,548	34,404	(39,485)	-	(8,169)	70,833	62,664
<b>Private Equity</b>								
Commonfund Capital International Partners V	332,987	349,315	16,328	(36,340)	3,000	5,326	75,150	80,476
Commonfund Capital International Partners VI	1,360,024	1,554,888	194,864	(83,524)	11,044	8,027	315,268	323,295
Commonfund Capital Private Equity Partners VI	634,566	782,525	147,959	(78,486)	5,999	(1,479)	132,863	131,384
Commonfund Capital Private Equity Partners VII	1,614,022	2,461,554	847,532	16,001	11,085	7,789	318,945	326,734
Commonfund Capital Venture Partners VIII	1,433,876	2,740,746	1,306,870	(205,084)	10,332	(25,425)	138,781	113,356
Endowment Private Equity Partners IV	-	154,288	154,288	5,591	457	(800)	42,393	41,593
Endowment Venture Partners V	177,822	172,229	(5,593)	(14,644)	702	1,608	(12,148)	(10,540)
Legacy Venture II	933,563	849,267	(84,296)	(446,717)	-	1,339	102,503	103,842
Legacy Venture III	1,066,261	1,378,601	312,340	(42,840)	6,000	(9,499)	37,988	28,489
Legacy Venture IV	1,566,415	3,139,391	1,572,976	(88,970)	6,000	(696)	234,010	233,314
Legacy Venture V (QP)	2,579,455	4,070,169	1,490,714	200	26,000	(68,169)	126,929	58,760
Legacy Venture VI (QP)	2,272,685	3,487,434	1,214,749	119,698	22,500	(53,041)	97,258	44,217
Lonestar Europe Holding (US)	201,668	274,159	72,491	7,539	-	(3,370)	(149)	(3,519)
Lonestar Fund IV	605,259	24,198	(581,061)	2,519	-	(5,678)	(972)	(6,650)
Lonestar Fund V	449,317	708,677	259,360	(305,799)	5,013	417,104	(285,419)	131,685
Lonestar Fund VI	973,006	585,932	(387,074)	62,607	396	109,634	(157,636)	(48,002)
Lonestar Fund VII	105,649	93,061	(12,588)	7,394	12	16,308	(58,015)	(41,707)
Lonestar US Investment	651,508	426,770	(224,738)	(3,528)	-	96,840	(78,661)	18,179
<b>Total</b>	<b>\$ 184,298,492</b>	<b>\$ 208,759,351</b>	<b>\$ 24,460,859</b>	<b>\$ 2,093,928</b>	<b>\$ 1,380,461</b>	<b>\$ 3,891,132</b>	<b>\$ 5,882,787</b>	<b>\$ 9,773,919</b>

# Walter and Elise Haas Foundation

## Schedule 2 Supplemental Schedule of Grant Expense by Sector (See Independent Auditors' Report)

<i>Years Ended December 31,</i>	2017	2016
<b>Program Area Grants</b>		
Arts	\$ 1,671,500	\$ 1,718,500
Economic security	1,932,500	2,108,000
Jewish life	2,050,000	2,112,500
Education	1,850,000	1,865,000
Program area grants total	7,504,000	7,804,000
<b>Other Grantmaking Interests</b>		
Legacy:		
Annual grants	250,750	270,750
Holiday grants	99,500	99,500
Descendant grants	205,000	185,000
Capital	478,334	1,066,360
Mission related:		
Civic engagement and leadership	225,000	240,500
Philanthropy	136,530	216,070
Rapid response	90,000	-
Parks	-	100,000
Hope SF	100,000	-
Safety net grants	1,000,000	1,000,000
Disaster preparedness	590,000	245,000
Board awarded	50,000	4,500
Employee matching grants	12,250	15,150
Other grantmaking interests total	3,237,364	3,442,830
<b>Creative Work Fund</b>	335,440	378,815
<b>Grand Total</b>	<b>\$ 11,076,804</b>	<b>\$ 11,625,645</b>