

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE PALO ALTO COMMUNITY FUND Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 400 MITCHELL LANE City, town, or post office, state, and ZIP code PALO ALTO, CA 94301 F Name and address of principal officer: DAVID MITCHELL 400 MITCHELL LANE, PALO ALTO, CA 94301	D Employer identification number 77-0483215 E Telephone number (650) 690-0370 G Gross receipts \$ 678,835. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.PALOALTOCOMMFFUND.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1998 M State of legal domicile: CA

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: THE MISSION OF THE PALO ALTO COMMUNITY FUND IS TO GROW, SUSTAIN, AND USE ITS ENDOWMENT AND OTHER		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	23
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	23
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year
9 Program service revenue (Part VIII, line 2g)		304,525.	521,408.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		0.	0.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		94,855.	90,425.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		0.	0.
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		399,380.	611,833.
14 Benefits paid to or for members (Part IX, column (A), line 4)		331,750.	329,100.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		0.	0.
16a Professional fundraising fees (Part IX, column (A), line 11e)		45,990.	44,697.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 22,797.		0.	0.
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		83,868.	79,436.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		461,608.	453,233.
19 Revenue less expenses. Subtract line 18 from line 12	-62,228.	158,600.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	4,497,441.	5,084,148.
	22 Net assets or fund balances. Subtract line 21 from line 20	3,239.	5,654.
		4,494,202.	5,078,494.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer DAVID MITCHELL, BOARD PRESIDENT Type or print name and title	Date	
Paid Preparer Use Only	Print/Type preparer's name PAMELA S. ADAMS	Preparer's signature	Date
	Firm's name ▶ BROWN ADAMS LLP	Firm's EIN ▶ 77-0232559	Check if self-employed <input type="checkbox"/> PTIN P00600044
	Firm's address ▶ 2600 EL CAMINO REAL, #600 PALO ALTO, CA 94306	Phone no. (650) 857-1655	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: THE MISSION OF THE PALO ALTO COMMUNITY FUND IS TO GROW, SUSTAIN, AND USE ITS ENDOWMENT AND OTHER DONATED FUNDS TO SUPPORT THE WORK OF NEW AND EXISTING NONPROFIT ORGANIZATIONS SERVING THE GREATER PALO ALTO AREA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 386,679. including grants of \$ 329,100.) (Revenue \$) IN 2012, THE PALO ALTO COMMUNITY FUND (PACF) WAS PROUD TO BE ABLE TO SUPPORT 38 LOCAL COMMUNITY NONPROFIT ORGANIZATIONS WHICH ARE ADDRESSING A WIDE VARIETY OF CHALLENGES AND IMPROVING THE QUALITY OF LIFE IN OUR COMMUNITY. THREE OF THE KEY FOCUS AREAS PACF SUPPORTED AND SOME OF THE PROGRAMS SUPPORTED IN EACH FOCUS AREA THIS YEAR WERE:

- ENHANCING AND SUPPORTING EDUCATIONAL SUCCESS THROUGHOUT OUR COMMUNITY BY PROVIDING:
- HIGH SCHOOL YOUTH WITH FINANCIAL & LIFE SKILLS EDUCATION AND AFTER SCHOOL TUTORING & COUNSELING SERVICES TO CREATE A COLLEGE-GOING CULTURE AND RAISE HIGH SCHOOL GRADUATION RATES.
- MIDDLE SCHOOL YOUTH WITH ACADEMIC TUTORING AND COMMUNITY BASED

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$) IN OCTOBER 2012, PACF HOSTED ITS FOURTH COMMUNITY-WIDE EDUCATIONAL TRAINING. OUR TOPIC THIS YEAR WAS ON EMERGENCY PREPAREDNESS. GORDON SAKAI, AMERICAN RED CROSS VOLUNTEER, PRESENTED A WORKSHOP ENTITLED "EMERGENCY PREPAREDNESS FOR NONPROFITS" TO 22 INDIVIDUALS REPRESENTING OUR CURRENT AND PAST GRANTEES.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 386,679.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		X
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24b			
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24c			
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
24d			
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
25b			X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28a			X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b			X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c			X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
35b			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Input box for Schedule O response

Main table with columns for question number, description, sub-questions (1a-14b), Yes, and No. Includes questions about Form 1096, Form W-2G, Form W-3, foreign accounts, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (23), 1b (23), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [X] Own website
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: CAMMIE VAIL, EXECUTIVE DIRECTOR - (650) 690-0370 400 MITCHELL LANE, PALO ALTO, CA 94301

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVID MITCHELL PRESIDENT	2.00	X		X				0.	0.	0.
(2) KAREN ROSS DIRECTOR	1.00	X						0.	0.	0.
(3) LOREN BROWN DIRECTOR	1.00	X						0.	0.	0.
(4) ENOCH CHOI DIRECTOR	1.00	X						0.	0.	0.
(5) ANNE DAUER VICE PRESIDENT	2.00	X		X				0.	0.	0.
(6) KAREN DOUGLAS CHIEF FINANCIAL OFFICER	2.00	X		X				0.	0.	0.
(7) CHRIS DOUVOS DIRECTOR	1.00	X						0.	0.	0.
(8) CARROLL HARRINGTON DIRECTOR	1.00	X						0.	0.	0.
(9) KRISTEN HUGHES DIRECTOR	1.00	X						0.	0.	0.
(10) ELIZABETH LUCCHESI DIRECTOR	1.00	X						0.	0.	0.
(11) WORTH LUDWICK DIRECTOR	1.00	X						0.	0.	0.
(12) BETH MARTIN DIRECTOR	1.00	X						0.	0.	0.
(13) KAREN NIERENBERG DIRECTOR	1.00	X						0.	0.	0.
(14) AMY RENALDS DIRECTOR	1.00	X						0.	0.	0.
(15) KATHY SCHNIEDWIND DIRECTOR	1.00	X						0.	0.	0.
(16) CHERIE MILLER SOPKIN DIRECTOR	1.00	X						0.	0.	0.
(17) ANNE TAYLOR DIRECTOR	1.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MICHAEL TRIGG DIRECTOR	1.00	X						0.	0.	0.
(19) CINDY BRINKMANN DIRECTOR	1.00	X						0.	0.	0.
(20) BRIAN CHANCELLOR DIRECTOR	1.00	X						0.	0.	0.
(21) CATHERINE CRYSTAL FOSTER DIRECTOR	1.00	X						0.	0.	0.
(22) NITESH DULLABH DIRECTOR	1.00	X						0.	0.	0.
(23) CAMMIE VAIL EXECUTIVE DIRECTOR	25.00			X				40,560.	0.	0.
(24) CHARLOTTE LOWELL SECRETARY	2.00			X				0.	0.	0.
1b Sub-total								40,560.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								40,560.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

		(A)	(B)	(C)	(D)	
		Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	521,408.			
	g Noncash contributions included in lines 1a-1f: \$		67,468.			
	h Total. Add lines 1a-1f		521,408.			
	Program Service Revenue	2 a	Business Code			
b						
c						
d						
e						
f All other program service revenue						
g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		90,919.		90,919.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	66,508.			
		(ii) Other				
		b Less: cost or other basis and sales expenses	67,002.			
		c Gain or (loss)	-494.			
	d Net gain or (loss)		-494.		-494.	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		b Less: direct expenses	b			
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a	a					
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d					
12 Total revenue. See instructions.		611,833.	0.	0.	90,425.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	329,100.	329,100.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	40,560.	20,280.	10,140.	10,140.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	4,137.	2,069.	1,034.	1,034.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	2,553.		2,553.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	18,748.		18,748.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	81.			81.
13 Office expenses	6,985.	2,301.	2,391.	2,293.
14 Information technology				
15 Royalties				
16 Occupancy	7,800.	3,900.	1,950.	1,950.
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	3,507.	877.	1,753.	877.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SVCF SUPPORT FEES	21,723.	21,723.		
b OTHER GRANT EXPENSES	7,989.	5,999.		1,990.
c MARKETING MATERIALS & E	3,106.			3,106.
d OUTSIDE SERVICES	2,364.		2,364.	
e All other expenses	4,580.	430.	2,824.	1,326.
25 Total functional expenses. Add lines 1 through 24e	453,233.	386,679.	43,757.	22,797.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	371,403.	2	386,562.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,655.	4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b		10c
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	4,122,383.	12	4,697,586.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	4,497,441.	16	5,084,148.	
Liabilities	17 Accounts payable and accrued expenses	3,239.	17	5,654.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	3,239.	26	5,654.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	4,444,202.	27	5,028,494.
	28 Temporarily restricted net assets	50,000.	28	50,000.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	4,494,202.	33	5,078,494.
34 Total liabilities and net assets/fund balances	4,497,441.	34	5,084,148.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	611,833.
2	Total expenses (must equal Part IX, column (A), line 25)	2	453,233.
3	Revenue less expenses. Subtract line 2 from line 1	3	158,600.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,494,202.
5	Net unrealized gains (losses) on investments	5	425,692.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,078,494.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization THE PALO ALTO COMMUNITY FUND	Employer identification number 77-0483215
--	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

- The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)
- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
 - 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
 - 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
 - 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
 - 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
 - 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
 - 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 - 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 - 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
 - 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
 - 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
 - e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
11g(ii) A family member of a person described in (i) above?		
11g(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
 - h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	241,806.	389,797.	619,933.	304,023.	521,408.	2,076,967.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	241,806.	389,797.	619,933.	304,023.	521,408.	2,076,967.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	92,161.	177,276.	195,836.	87,888.	301,018.	854,179.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b	92,161.	177,276.	195,836.	87,888.	301,018.	854,179.
8 Public support (Subtract line 7c from line 6.)						1,222,788.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	241,806.	389,797.	619,933.	304,023.	521,408.	2,076,967.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	65,243.	47,423.	48,491.	65,340.	63,320.	289,817.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	65,243.	47,423.	48,491.	65,340.	63,320.	289,817.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	7,486.	7,286.				14,772.
13 Total support. (Add lines 9, 10c, 11, and 12.)	314,535.	444,506.	668,424.	369,363.	584,728.	2,381,556.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	51.34 %
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	51.79 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	12.17 %
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	14.90 %

19a 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

THE PALO ALTO COMMUNITY FUND

Employer identification number

77-0483215

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items

(check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4,072,095.	4,165,922.	3,731,191.	3,130,059.	4,147,923.
b Contributions					200,000.
c Net investment earnings, gains, and losses	665,960.	-28,890.	496,220.	669,372.	-1,022,651.
d Grants or scholarships	0.	24,287.	18,391.	32,955.	155,436.
e Other expenditures for facilities and programs					
f Administrative expenses	40,470.	40,650.	43,098.	35,285.	39,777.
g End of year balance	4,697,585.	4,072,095.	4,165,922.	3,731,191.	3,130,059.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %
- b Permanent endowment %
- c Temporarily restricted endowment %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) 0.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) CENTENNIAL FUND AT SVCF	693,232.	END-OF-YEAR MARKET VALUE
(B) ENDOWMENT FUND AT SVCF	4,004,354.	END-OF-YEAR MARKET VALUE
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	4,697,586.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4: THE INCOME AND PRINCIPAL OF THE BOARD

DESIGNATED-QUASI-ENDOWMENTS ARE MAINTAINED TO PROVIDE GRANTS TO SELECTED

CHARITABLE ORGANIZATIONS.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

**Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.**

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization

THE PALO ALTO COMMUNITY FUND

**Employer identification number
77-0483215**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ACHIEVEKIDS 3860 MIDDLEFIELD ROAD PALO ALTO, CA 94303	77-0412221	501(C)(3)	8,000.	0.			VOCATIONAL EDUCATION PROGRAM FOR SPECIAL NEEDS YOUTH
ADOLESCENT COUNSELING SERVICE 1717 EMBARCADERO ROAD, SUITE 4000 PALO ALTO, CA 94303	51-0192551	501(C)(3)	5,000.	0.			ON-CAMPUS COUNSELING PROGRAM FOR THE PALO ALTO UNIFIED SCHOOL DISTRICT
ART IN ACTION 3925 BOHANNON DRIVE, SUITE 300 MENLO PARK, CA 94025	94-3342383	501(C)(3)	4,000.	0.			ART IN ACTION PROGRAM AT WILLOW OAKS SCHOOL
BREAST CANCER CONNECTIONS 390 CAMBRIDGE AVE. PALO ALTO, CA 94306	77-0417605	501(C)(3)	5,000.	0.			GABRIELLA PATSER PROGRAM-BREAST CANCER SCREENING & DIAGNOSTIC SERVICES
BRING ME A BOOK 1045 TERRA BELLA AVE. MOUNTAIN VIEW, CA 94043	77-0481924	501(C)(3)	7,500.	0.			FIRST TEACHERS WORKSHOPS & BOOKCASE LIBRARY REPLENISHMENTS
CASSY 555 BRYANT STREET, #126 PALO ALTO, CA 94301	26-4655116	501(C)(3)	15,000.	0.			COMPREHENSIVE MENTAL HEALTH SERVICES AT COSTANO & 49ER ACADEMY

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **▶** _____
- 3** Enter total number of other organizations listed in the line 1 table **▶** _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

SEE PART IV FOR COLUMN (H) DESCRIPTIONS

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CORA P.O. BOX 4245 BURLINGAME, CA 94011	94-2481188	501(C)(3)	8,000.	0.			CRISIS INTERVENTION SERVICES
EAST PALO ALTO PHOENIX ACADEMY P.O. BOX 51717 EAST PALO ALTO, CA 94303	94-3311088	501(C)(3)	10,000.	0.			ALUMNI SUPPORT PROGRAM
EAST PALO ALTO YOUTH COURT P.O. BOX 50878 PALO ALTO, CA 94303	26-3204191	501(C)(3)	5,000.	0.			PARTNER WITH MENTAL HEALTH PROVIDER TO PROVIDE COUNSELING SERVICES
MAYVIEW COMMUNITY HEALTH CENTER 270 GRANT AVENUE PALO ALTO, CA 94306	94-2239648	501(C)(3)	5,000.	0.			SUPPORT FOR WEEKLY WALK-IN IMMUNIZATION CLINICS
MUSIC IN THE SCHOOLS FOUNDATION P.O. BOX 60012 PALO ALTO, CA 94306	91-2152501	501(C)(3)	10,000.	0.			IN-CLASSROOM & AFTERSCHOOL MUSIC PROGRAMS FOR THE RAVENSWOOD SCHOOL
SAINT FRANCIS OF ASSISI YOUTH CLUB 1425 BAY ROAD EAST PALO ALTO, CA 94303	51-0219028	501(C)(3)	15,000.	0.			YOUTH CLUB ACADEMIC ACHIEVEMENT PROGRAM
SAINT VINCENT DE PAUL SOCIETY 1425 BAY ROAD EAST PALO ALTO, CA 94303	13-5562362	501(C)(3)	10,000.	0.			EMERGENCY ASSISTANCE WITH RENT AND PG&E
STEVENSON HOUSE 455 EAST CHARLESTON ROAD PALO ALTO, CA 94306	94-6115413	501(C)(3)	10,000.	0.			SOCIAL WORK CASE MANAGER PROGRAM
THEATREWORKS P.O. BOX 50458 PALO ALTO, CA 94303	94-2831245	501(C)(3)	7,500.	0.			THEATREWORKS FOR SCHOOLS

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
VIDA VERDE NATURE EDUCATION 3540 LA HONDA ROAD SAN GREGORIO, CA 94074	36-4471996	501(C)(3)	7,500.	0.			OUTDOOR ENVIRONMENTAL EDUCATION PROGRAM
YOUTH COMMUNITY SERVICE 4120 MIDDLEFIELD ROAD, ROOM P-8 PALO ALTO, CA 94303	20-8099150	501(C)(3)	7,500.	0.			LIFE SKILLS PROJECT FOR MIDDLE-SCHOOL STUDENT
ABLE WORKS 1836 BAY ROAD, SUITE B EAST PALO ALTO, CA 94303	20-2175098	501(C)(3)	5,000.	0.			FUTUREPROFITS EDUCATION PROGRAM FOR HIGH SCHOOL AT-RISK STUDENTS
ARBOR FREE CLINIC 251 CAMPUS DRIVE, MSOB STANFORD, CA 94305	94-1156365	501(C)(3)	2,500.	0.			NO-COST MEDICAL SERVICES TO UNDERSERVED
AVENIDAS 450 BRYANT STREET PALO ALTO, CA 94301	94-1480548	501(C)(3)	10,000.	0.			LOW-COST, DOOR-TO-DOOR TRANSPORTATION SERVICES FOR SENIORS
BIG BROTHERS BIG SISTERS OF THE BAY AREA - 731 MARKET STREET, 6TH FLOOR - SAN FRANCISCO, CA 94103	23-7108045	501(C)(3)	9,000.	0.			COMMUNITY BASED MENTORING FOR CHILDREN & YOUTH
CANOPY - TREES FOR PALO ALTO 3921 E. BAYSHORE ROAD PALO ALTO, CA 94303	01-0565752	501(C)(3)	5,100.	0.			HEALTHY TREES, HEALTHY KIDS! INITIATIVE IN EPA SCHOOLYARD
DOWNTOWN STREETS TEAM 480 LYTTON AVE., SUITE 2A PALO ALTO, CA 94301	20-5242330	501(C)(3)	10,000.	0.			VAN PURCHASE
DREAMCATCHERS P.O. BOX 60902 PALO ALTO, CA 94306	80-0257191	501(C)(3)	7,500.	0.			ACADEMIC PROGRAM FOR PAUSD STUDENTS

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ECUMENICAL HUNGER PROGRAM 2411 PULGAS AVENUE EAST PALO ALTO, CA 94303	94-2476942	501(C)(3)	10,000.	0.			EMERGENCY FOOD ASSISTANCE
EDGEWOOD CENTER FOR CHILDREN AND FAMILIES - 1801 VICENTE STREET - SAN FRANCISCO, CA 94116	94-1186168	501(C)(3)	10,000.	0.			KINSHIP SUPPORT NETWORK FAMILY SERVICES
FAMILY CONNECTIONS P.O. BOX 358 SAN CARLOS, CA 94070	94-3315163	501(C)(3)	10,000.	0.			KINDERGARTEN READINESS PROJECT
FOUNDATION FOR A COLLEGE EDUCATION 2160 EUCLID AVENUE EAST PALO ALTO, CA 94303	77-0401635	501(C)(3)	10,000.	0.			STUDENT LEADERSHIP PROGRAM
FRIENDS OF PALO ALTO JR. MUSEUM & ZOO - 1451 MIDDLEFIELD ROAD - PALO ALTO, CA 94301	77-0296155	501(C)(3)	10,000.	0.			SCIENCE OUTREACH PROGRAM-RAVENSWOOD SCHOOL DISTRICT
SHELTER NETWORK 1450 CHAPLIN AVE., 2ND FLOOR BURLINGAME, CA 94010	77-0160469	501(C)(3)	10,000.	0.			HAVEN FAMILY HOUSE SUPPORT
INNVISION THE WAY HOME 1900 THE ALAMEDA, SUITE 400 SAN JOSE, CA 95126	77-0033628	501(C)(3)	10,000.	0.			FAMILY SERVICES PROGRAM AT THE OPPORTUNITY SERVICES CENTER
JOBTRAIN 1200 O'BRIEN DR. MENLO PARK, CA 94025	94-1712371	501(C)(3)	10,000.	0.			GENERAL OPERATING FUNDS
KARA, INC. 457 KINGSLEY AVENUE PALO ALTO, CA 94301	94-2431483	501(C)(3)	9,000.	0.			COMPLICATED GRIEF SUPPORT SERVICES

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MURAL MUSIC & ARTS PROJECT 2043 EUCLID AVE EAST PALO ALTO, CA 94303	91-2192238	501(C)(3)	10,000.	0.			HISTORY THROUGH HIP HOP PROGRAM FOR YOUTH
PENINSULA COLLEGE FUND 151 STANFORD AVENUE MENLO PARK, CA 94025	77-0144000	501(C)(3)	10,000.	0.			SUMMER JOBS & CAREER BUILDING
PENINSULA CONFLICT RESOLUTION CENTER - 1660 SO. AMPHLETT BLVD., SUITE 219 - SAN MATEO, CA 94403	77-0144000	501(C)(3)	6,000.	0.			FAMILY ENGAGEMENT SPECIALIST AT BELLE HAVEN COMMUNITY SCHOOL
PENINSULA HEALTHCARE CONNECTION 33 ENCINA AVENUE #103 PALO ALTO, CA 94301	20-2886131	501(C)(3)	15,000.	0.			NEXT-STEP OUTREACH PROGRAM TO HOMELESS
TEEN SUCCESS, INC. P.O. BOX 1742 LOS ALTOS, CA 94023	45-0702884	501(C)(3)	10,000.	0.			SUPPORT GROUP FOR TEEN MOTHERS

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

SCHEDULE I, PART I, LINE 2: PRIOR TO RECEIVING GRANT FUNDS, EACH GRANTEE ORGANIZATION SIGNS A GRANT AGREEMENT WITH THE PALO ALTO COMMUNITY FUND. THIS GRANT AGREEMENT SPECIFICALLY STATES THAT THE GRANTEE MUST USE THE FUNDS FOR THE PURPOSES OUTLINED IN THEIR GRANT APPLICATION AND ALL FUNDS NOT USED FOR THAT PURPOSE MUST BE RETURNED. AT THE END OF EACH YEAR, EACH GRANTEE MUST ALSO FILE A FINAL GRANT REPORT THAT OUTLINES WHAT THEY HAVE DONE WITH THE GRANT ALONG WITH ASSOCIATED FINANCIAL STATEMENTS SUPPORTING THEIR USE OF FUNDS FOR THEIR INTENDED PURPOSE.

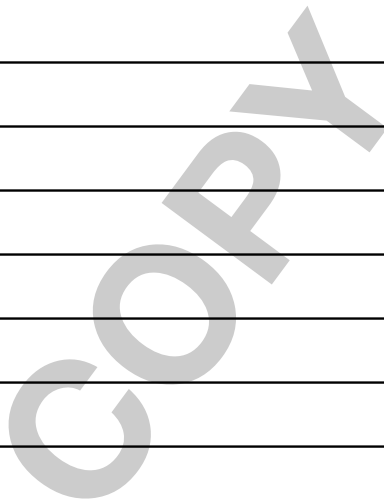
Part IV Supplemental Information

IN ONE OR TWO INCIDENTS OUT OF THE OVER 400 GRANTS WE HAVE MADE OVER THE PAST 30 YEARS WHERE FUNDS WERE NOT APPLIED FOR THEIR INTENDED PURPOSES, THE PALO ALTO COMMUNITY FUND TOOK STEPS TO REVIEW WHAT THEY USED THE FUNDS FOR AND IN ONE INCIDENCE INSISTED THAT THE GRANT FUNDS BE RETURNED.

PART II, LINE 1, COLUMN (H):

NAME OF ORGANIZATION OR GOVERNMENT: MUSIC IN THE SCHOOLS FOUNDATION

(H) PURPOSE OF GRANT OR ASSISTANCE: IN-CLASSROOM & AFTERSCHOOL MUSIC PROGRAMS FOR THE RAVENSWOOD SCHOOL DISTRICT



**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

Name of the organization **THE PALO ALTO COMMUNITY FUND** Employer identification number **77-0483215**

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	3	66,507.	VALUE ON DATE OF GIF
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (<u>EVENT FOOD AN</u>)	X	2	466.	COST OF DONATED ITEM
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, LINE 32B: THE PALO ALTO COMMUNITY FUND USES A THIRD PARTY
TO SELL PUBLICLY TRADED SECURITIES RECEIVED THROUGH DONATION.

COPY

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

THE PALO ALTO COMMUNITY FUND

Employer identification number

77-0483215

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

DONATED FUNDS TO SUPPORT THE WORK OF NEW AND EXISTING NONPROFIT
ORGANIZATIONS SERVING THE GREATER PALO ALTO AREA.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

MENTORING.

- ELEMENTARY SCHOOL CHILDREN WITH INSTRUMENTAL & CHORAL INSTRUCTION,
ART APPRECIATION & ART TECHNIQUES EDUCATION AND SCIENCE EDUCATION
PROGRAMS.

- PRESCHOOL CHILDREN WITH KINDERGARTEN READINESS AND READING PROGRAMS.

- SPECIAL NEEDS YOUTH WITH VOCATIONAL EMPLOYMENT TRAINING AND JOB
SUPPORT.

BUILDING WELLNESS THROUGHOUT LIFE AND THROUGHOUT OUR COMMUNITY BY
PROVIDING:

- ADULTS AND FAMILIES WITH HOT, HEALTHY MEALS IN A SAFE PLACE,
EMERGENCY FOOD AND NO-COST MEDICAL SERVICES.

- WOMEN WITH NO-CHARGE BREAST CANCER SCREENING AND DIAGNOSTIC SERVICES.

- YOUTH WITH COMPREHENSIVE MENTAL HEALTH SERVICES & IMMUNIZATION
SERVICES.

- ELEMENTARY SCHOOL CHILDREN WITH OUTDOOR EXPERIENCES, ENVIRONMENTAL
EDUCATION, AND SPORTS PROGRAMS.

PARTICIPATING IN RESOLVING COMMUNITY CONCERNS BY PROVIDING:

- VICTIMS OF DOMESTIC VIOLENCE WITH CRISIS INTERVENTION SERVICES AND
EMERGENCY SHELTER.

Name of the organization THE PALO ALTO COMMUNITY FUND	Employer identification number 77-0483215
--	--

- HOMELESS INDIVIDUALS AND FAMILIES WITH HEALTH CARE SERVICES, SUPPORT SERVICES AND TRANSITIONAL HOUSING.

- YOUTH OFFENDERS WITH A COMMUNITY ALTERNATIVE PROGRAM OF COUNSELING AND PREVENTATIVE EDUCATION.

FORM 990, PART VI, SECTION B, LINE 11: THE PALO ALTO COMMUNITY FUND FINANCE COMMITTEE, WORKING WITH THE EXECUTIVE DIRECTOR, IS RESPONSIBLE FOR PROVIDING ALL NECESSARY FINANCIAL DOCUMENTS REQUIRED BY PACF'S TAX PREPARERS IN ORDER TO PREPARE THE YEARLY TAX FORM 990. ONCE THE FORM 990 IS COMPLETE, THE PRESIDENT, EXECUTIVE DIRECTOR AND MEMBERS OF THE FINANCE COMMITTEE WILL REVIEW IT FOR ACCURACY. ONCE FINALIZED, THE PRESIDENT, OR THE PRESIDENT'S DESIGNEE, WILL SIGN THE RETURN AND FILE IT WITH THE IRS. EACH VOTING MEMBER OF PACF'S GOVERNING BODY WILL BE PROVIDED A COPY OF THE FINAL FORM 990 TO BE FILED WITH THE IRS, WHETHER IN PAPER OR ELECTRONIC FORM, PRIOR TO ITS FILING.

FORM 990, PART VI, SECTION B, LINE 12C: THE PALO ALTO COMMUNITY FUND MONITORS THIS POLICY BY HAVING EACH MEMBER OF THE BOARD OF DIRECTORS COMPLETE AND SIGN AN ANNUAL CONFLICT OF INTEREST FORM.

FORM 990, PART VI, SECTION B, LINE 15A: THE PALO ALTO COMMUNITY FUND DOES NOT HAVE ANY FULL TIME EMPLOYEES. SALARIES FOR PART-TIME EMPLOYEES ARE COMPARABLE TO SIMILAR POSITIONS IN OTHER NON-PROFITS AND ARE MODEST.

FORM 990, PART VI, SECTION C, LINE 19: THESE DOCUMENTS ARE AVAILABLE UPON REQUEST.

California Exempt Organization
Annual Information Return

Calendar Year 2012 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Corporation/Organization Name THE PALO ALTO COMMUNITY FUND		California corporation number C-2105149
Address (suite, room, or PMB no.) 400 MITCHELL LANE		FEIN 77-0483215
City PALO ALTO	State CA	ZIP Code 94301

<p>A First Return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B Amended Return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>C IRC Section 4947(a)(1) trust <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D Final Return? <input type="checkbox"/> Dissolved <input type="checkbox"/> Surrendered (Withdrawn) <input type="checkbox"/> Merged/Reorganized Enter date: _____</p> <p>E Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other</p> <p>F Federal return filed? (1) <input type="checkbox"/> 990T (2) <input type="checkbox"/> 990(PF) (3) <input type="checkbox"/> Sch H (990)</p> <p>G Is this a group filing for the subordinates/affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach a roster. See instructions</p> <p>H Is this organization in a group exemption? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," what is the parent's name? _____</p> <p>I Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," explain, and attach copies of revised documents.</p>	<p>J If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign, or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," complete and attach form FTB 3509.</p> <p>K Is the organization exempt under R&TC Section 23701g? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," enter the gross receipts from nonmember sources \$ _____</p> <p>L If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. No filing fee is required. <input type="checkbox"/></p> <p>M Is the organization a Limited Liability Company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>N Did the organization file Form 100 or Form 109 to report taxable income? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>O Is the organization under audit by the IRS or has the IRS audited in a prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
--	--

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	157,427.00	
	2 Gross dues and assessments from members and affiliates	2	00	
	3 Gross contributions, gifts, grants, and similar amounts received STMT 1	3	521,408.00	
	4 Total gross receipts for filing requirement test. Add line 1 through line 3. STMT 2	4	678,835.00	
	This line must be completed. If the result is less than \$50,000, see General Instruction B			
	5 Cost of goods sold	5	00	
	6 Cost or other basis, and sales expenses of assets sold	6	67,002.00	
	7 Total costs. Add line 5 and line 6	7	67,002.00	
8 Total gross income. Subtract line 7 from line 4	8	611,833.00		
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18	9	453,233.00	
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	158,600.00	
Filing Fee	11 Filing fee \$10 or \$25. See General Instruction F	11	10.00	
	12 Total payments	12	00	
	13 Penalties and Interest. See General Instruction J	13	00	
	14 Use tax. See General Instruction K	14	00	
	15 Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result	15	10.00	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer BOARD PRESIDENT	Title	Date	Telephone (650) 690-0370
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN P00600044
Paid Preparer's Use Only	Firm's name (or yours, if self-employed) and address BROWN ADAMS LLP 2600 EL CAMINO REAL, #600 PALO ALTO, CA 94306	FEIN 77-0232559	Telephone (650) 857-1655	
	May the FTB discuss this return with the preparer shown above? See instructions <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

228951 12-18-12

Receipts from Other Sources Expenses and Disbursements	1	Gross sales or receipts from all business activities. See instructions	•	1	00	
	2	Interest	•	2	557.00	
	3	Dividends	•	3	90,362.00	
	4	Gross rents	•	4	00	
	5	Gross royalties	•	5	00	
	6	Gross amount received from sale of assets (See Instructions)	STATEMENT 3	•	6	66,508.00
	7	Other income	•	7	00	
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1		•	8	157,427.00
	9	Contributions, gifts, grants, and similar amounts paid	STATEMENT 4	•	9	329,100.00
	10	Disbursements to or for members	•	10	00	
	11	Compensation of officers, directors, and trustees	SEE STATEMENT 5	•	11	40,560.00
	12	Other salaries and wages	•	12	00	
	13	Interest	•	13	00	
	14	Taxes	•	14	4,137.00	
	15	Rents	•	15	7,800.00	
	16	Depreciation and depletion (See instructions)	•	16	00	
	17	Other Expenses and Disbursements	SEE STATEMENT 6	•	17	71,636.00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9		•	18	453,233.00

Schedule L Balance Sheets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		371,403.	•	386,562.
2 Net accounts receivable		3,655.	•	
3 Net notes receivable			•	
4 Inventories			•	
5 Federal and state government obligations			•	
6 Investments in other bonds			•	
7 Investments in stock			•	
8 Mortgage loans			•	
9 Other investments		4,122,383.	•	4,697,586.
10 a Depreciable assets				
b Less accumulated depreciation	()		()	
11 Land			•	
12 Other assets			•	
13 Total assets		4,497,441.		5,084,148.
Liabilities and net worth				
14 Accounts payable		3,239.	•	5,654.
15 Contributions, gifts, or grants payable			•	
16 Bonds and notes payable			•	
17 Mortgages payable			•	
18 Other liabilities			•	
19 Capital stock or principle fund			•	
20 Paid-in or capital surplus. Attach reconciliation			•	
21 Retained earnings or income fund		4,494,202.	•	5,078,494.
22 Total liabilities and net worth		4,497,441.		5,084,148.

Schedule M-1 Reconciliation of income per books with income per return			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.			
1	Net income per books	• 584,292.	
2	Federal income tax	•	
3	Excess of capital losses over capital gains	•	
4	Income not recorded on books this year	•	
5	Expenses recorded on books this year not deducted in this return	•	
6	Total. Add line 1 through line 5	584,292.	
7	Income recorded on books this year not included in this return.	STMT 8	• 425,692.
8	Deductions in this return not charged against book income this year		•
9	Total. Add line 7 and line 8		425,692.
10	Net income per return. Subtract line 9 from line 6		158,600.

FORM 199 COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES STATEMENT 5

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HRS WORKED/WK</u>	<u>COMPENSATION</u>
DAVID MITCHELL 400 MITCHELL LANE PALO ALTO, CA 94301	PRESIDENT 2.00	0.
KAREN ROSS 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
LOREN BROWN 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
ENOCH CHOI 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
ANNE DAUER 400 MITCHELL LANE PALO ALTO, CA 94301	VICE PRESIDENT 2.00	0.
KAREN DOUGLAS 400 MITCHELL LANE PALO ALTO, CA 94301	CHIEF FINANCIAL OFFICER 2.00	0.
CHRIS DOUVOS 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
CARROLL HARRINGTON 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
KRISTEN HUGHES 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
ELIZABETH LUCCHESI 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
WORTH LUDWICK 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.

BETH MARTIN 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
KAREN NIERENBERG 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
AMY RENALDS 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
KATHY SCHNIEDWIND 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
CHERIE MILLER SOPKIN 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
ANNE TAYLOR 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
MICHAEL TRIGG 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
CINDY BRINKMANN 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
BRIAN CHANCELLOR 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
CATHERINE CRYSTAL FOSTER 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
NITESH DULLABH 400 MITCHELL LANE PALO ALTO, CA 94301	DIRECTOR 1.00	0.
CAMMIE VAIL 400 MITCHELL LANE PALO ALTO, CA 94301	EXECUTIVE DIRECTOR 25.00	40,560.
CHARLOTTE LOWELL 400 MITCHELL LANE PALO ALTO, CA 94301	SECRETARY 2.00	0.

TOTAL TO FORM 199, PART II, LINE 11

40,560.

FORM 199 OTHER EXPENSES STATEMENT 6

DESCRIPTION	AMOUNT
SVCF SUPPORT FEES	21,723.
OTHER GRANT EXPENSES	7,989.
MARKETING MATERIALS & E	3,106.
OUTSIDE SERVICES	2,364.
ACCOUNTING FEES	2,553.
INVESTMENT MANAGEMENT FEES	18,748.
ADVERTISING AND PROMOTION	81.
OFFICE EXPENSES	6,985.
INSURANCE	3,507.
ALL OTHER EXPENSES	4,580.
TOTAL TO FORM 199, PART II, LINE 17	71,636.

FORM 199 OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	BEG. OF YEAR	END OF YEAR
CENTENNIAL FUND AT SVCF	621,973.	693,232.
ENDOWMENT FUND AT SVCF	3,450,123.	4,004,354.
PRESIDIO BANK CD	50,287.	0.
TOTAL TO FORM 199, SCHEDULE L, LINE 9	4,122,383.	4,697,586.

FORM 199 INCOME RECORDED ON BOOKS THIS YEAR NOT INCLUDED IN THIS RETURN STATEMENT 8

DESCRIPTION	AMOUNT
UNREALIZED GAIN/LOSS ON INVESTMENTS	425,692.
TOTAL TO FORM 199, SCHEDULE M-1, LINE 7	425,692.

FORM 199	FUND BALANCES		STATEMENT	9
DESCRIPTION	BEG. OF YEAR	END OF YEAR		
UNRESTRICTED ASSETS	4,444,202.	5,028,494.		
TEMPORARILY RESTRICTED ASSETS	50,000.	50,000.		
TOTAL TO FORM 199, SCHEDULE L, LINE 21	4,494,202.	5,078,494.		

COPY

Voucher at bottom of page.

DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION TAX RETURN WITH THE PAYMENT VOUCHER.

If the amount of payment is zero, do not mail this voucher.

WHERE TO FILE:

Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the corporation number or FEIN and "2012 FTB 3586" on the check or money order. Detach voucher below. Enclose, but **do not** staple, payment with voucher and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE:

**Fiscal Year - See instructions.
Calendar Year - File and Pay by March 15, 2013.**

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

ONLINE SERVICES:

Corporations can make payments online with Web Pay for Businesses. After a one-time online registration, corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov for more information.

239035
12-19-12

--- DETACH HERE --- IF NO PAYMENT IS DUE OR PAID ELECTRONICALLY, DO NOT MAIL THIS VOUCHER --- DETACH HERE ---

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR **2012** **Payment Voucher for Corps
and Exempt Orgs e-filed Returns**

CALIFORNIA FORM
3586 (e-file)

C-21051 PALO 77-0483215
TYB 01-01-12 TYE 12-31-12

12 FORM 3

THE PALO ALTO COMMUNITY FUND
400 MITCHELL LANE
PALO ALTO CA 94301

(650) 690-0370

Total Payment Amt 10.

MAIL TO:
 Registry of Charitable Trusts
 P.O. Box 903447
 Sacramento, CA 94203-4470
 Telephone: (916) 445-2021

**ANNUAL
 REGISTRATION RENEWAL FEE REPORT
 TO ATTORNEY GENERAL OF CALIFORNIA**

Sections 12586 and 12587, California Government Code
 11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.

WEB SITE ADDRESS:
<http://ag.ca.gov/charities/>

State Charity Registration Number: CT <u>23701</u> THE PALO ALTO COMMUNITY FUND <small>Name of Organization</small> <u>400 MITCHELL LANE</u> <small>Address (Number and Street)</small> <u>PALO ALTO, CA 94301</u> <small>City or Town, State and ZIP Code</small>	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report Corporate or Organization No. <u>C-2105149</u> Federal Employer I.D. No. <u>77-0483215</u>
--	--

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)
 Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

PART A - ACTIVITIES

For your most recent full accounting period (beginning 01/01/2012 ending 12/31/2012) list:
 Gross annual revenue \$ 611,833. Total assets \$ 5,084,148.

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest? SEE STATEMENT 10	X	
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?		X
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.		X
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.		X
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.		X
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.		X
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.		X
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?		X

Organization's area code and telephone number (650) 690-0370

Organization's e-mail address CAMMIEVAIL@PALOALTOCOMMUND.ORG

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

DAVID MITCHELL	BOARD PRESIDENT
<small>Signature of authorized officer</small>	<small>Printed Name</small>
	<small>Title</small>
	<small>Date</small>

FORM RRF-1

EXPLANATION OF FINANCIAL TRANSACTIONS
PART B, LINE 1

STATEMENT 10

THE PALO ALTO COMMUNITY FUND PAID \$40,560 TO CAMMIE VAIL FOR HER
DUTIES AS EXECUTIVE DIRECTOR.

COPY