

THE C.G. JUNG INSTITUTE  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT .....	1-2
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF FUNCTIONAL EXPENSES.....	5
STATEMENTS OF CASH FLOWS.....	6
NOTES TO THE FINANCIAL STATEMENTS .....	7 - 14



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The C.G. Jung Institute

We audited the accompanying financial statements of The C.G. Jung Institute of San Francisco, a nonprofit California corporation (the "Institute"), which comprise the statements of financial position as of June 30, 2015 and 2014, and related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Institute's 2014 financial statements, and our report dated January 20, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Buckley, Patchen, Rieman & Hall*

January 22, 2015  
Walnut Creek, California

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2015 AND 2014

**ASSETS**

	2015	2014
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 177,991	\$ 206,879
Accounts receivable, net	75,380	60,230
Prepaid expenses	23,833	21,175
Total Current Assets	277,204	288,284
 <b>Non-Current Assets:</b>		
Marketable securities (Note 3)	8,666,635	8,813,281
Property and equipment (Note 4)	268,115	235,367
Total Non-Current Assets	8,934,750	9,048,648
 <b>Total Assets</b>	<b>\$ 9,211,954</b>	<b>\$ 9,336,932</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts payable	\$ 17,547	\$ 32,846
Deferred revenue	3,590	-
Accrued vacation	39,782	39,911
Total Current Liabilities	60,919	72,757
 <b>Net Assets:</b>		
Unrestricted	7,010,635	7,199,126
Unrestricted - board designated (Note 7)	77,139	-
Temporarily restricted (Note 6)	1,965,589	1,967,377
Permanently restricted endowment (Note 9)	97,672	97,672
Total Net Assets	9,151,035	9,264,175
 <b>Total Liabilities and Net Assets</b>	<b>\$ 9,211,954</b>	<b>\$ 9,336,932</b>

The accompanying notes are an integral part of these financial statements.  
See Independent Auditors' Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2015  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Contributions:					
Contributions	\$ 81,576	\$ 115,000	\$ -	\$ 196,576	\$ 1,945,318
ARAS	5,902	-	-	5,902	5,580
Total Contributions	87,478	115,000	-	202,478	1,950,898
Revenue and Earned Income:					
Member dues	201,945	-	-	201,945	188,699
Candidate tuition	79,824	-	-	79,824	72,637
Therapy income	136,451	-	-	136,451	157,660
Course fees	102,917	-	-	102,917	110,595
Royalties	6,220	-	-	6,220	7,803
Other income	43,349	-	-	43,349	30,270
Total Revenue and Earned Income	570,706	-	-	570,706	567,664
Investments Income:					
Dividends and interest	218,752	3,371	6,372	228,495	193,586
Net realized gain on disposition of securities on	158,866	-	-	158,866	139,424
Unrealized gain in marketable securities	(203,058)	-	-	(203,058)	516,259
Total Investments Income	174,560	3,371	6,372	184,303	849,269
Net assets released from restrictions	126,066	(120,159)	(5,907)	-	-
Total Contributions and Income	958,810	(1,788)	465	957,487	3,367,831
Expenses					
Program expenses	913,042	-	-	913,042	753,963
Management and general	111,060	-	465	111,525	170,657
Fundraising	46,060	-	-	46,060	71,502
Total Expenses	1,070,162	-	465	1,070,627	996,122
Change in Net Assets	(111,352)	(1,788)	-	(113,140)	2,371,709
Beginning Net Assets	7,199,126	1,967,377	97,672	9,264,175	6,892,466
Ending Net Assets	\$ 7,087,774	\$ 1,965,589	\$ 97,672	\$ 9,151,035	\$ 9,264,175

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditors' Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	Library	Extended Education	Membership	Clinic	Training Institute	Jung Journal	Other Programs	Program Expenses	Management and General	Fundraising	2015 Total	2014 Total
Expenses:												
Salaries, wages, benefits and payroll taxes	\$ 63,636	\$ 77,716	\$ 55,029	\$ 108,218	\$ 30,622	\$ 153	\$ 29,670	\$ 365,044	\$ 33,429	\$ 31,116	\$ 429,589	\$ 404,522
Professional services	12,719	13,570	14,617	90,838	-	20,541	24,724	177,009	6,093	79	183,181	172,392
Honorarium, editorial asst. and president fee	-	25,000	10,000	-	400	11,253	100	46,753	-	-	46,753	46,783
Bank charges	-	1,224	3,220	60	720	-	127	5,351	223	112	5,686	7,566
Insurance	4,613	6,827	1,533	20,172	1,336	-	3,676	38,157	12,252	2,269	52,678	29,429
Retirement plan	3,449	2,385	831	2,613	2,101	-	503	11,882	12,264	1,910	26,056	24,310
Information technology	3,845	-	-	-	-	85	213	4,143	12,398	-	16,541	15,250
Supplies	175	10,671	-	288	-	1,737	10,836	23,707	6,500	1,813	32,020	21,795
Copier and other equipment	935	1,207	1,188	1,879	-	-	1,483	6,692	2,232	-	8,924	8,969
Printing and postage	-	11,261	-	294	141	-	345	12,041	4,811	4,181	21,033	28,229
Utilities	1,197	1,545	1,520	2,998	-	-	1,898	9,158	9,562	-	18,720	16,865
IAAP dues	-	-	26,728	-	-	-	-	26,728	-	-	26,728	34,917
Conferences and meeting expenses	-	22,114	59,993	373	-	-	21,919	104,399	337	-	104,736	98,183
Building expense	791	1,020	1,004	1,738	-	-	1,253	5,806	1,736	-	7,542	12,514
Other expense	16,802	3,659	6,994	3,937	13,892	7,594	9,042	61,920	7,313	2,204	71,437	52,609
Total Expenses, Excluding Depreciation	108,162	178,199	182,657	233,408	49,212	41,363	105,789	898,790	109,150	43,684	1,051,624	974,333
Depreciation expense	1,992	2,571	2,530	4,001	1,029	865	1,264	14,252	2,375	2,376	19,003	21,789
Total Expenses	\$ 110,154	\$ 180,770	\$ 185,187	\$ 237,409	\$ 50,241	\$ 42,228	\$ 107,053	\$ 913,042	\$ 111,525	\$ 46,060	\$ 1,070,627	\$ 996,122

The accompanying notes are an integral part of these financial statements.  
See Independent Auditors' Report

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
 STATEMENTS OF CASH FLOWS  
 JUNE 30, 2015 AND 2014

	2015	2014
<b>Operating Activities:</b>		
Change in net assets	\$ (113,140)	\$ 2,371,709
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	19,003	21,789
Net realized and unrealized (gain)/loss on investments	44,192	(655,683)
Stock donations	(4,877)	(1,064,390)
 (Increase)/Decrease in Operating Assets		
Accounts receivable	(15,150)	(6,542)
Prepaid expenses	(2,658)	(3,598)
 Increase/(Decrease) in Operating Liabilities		
Accounts payable	(15,299)	12,006
Deferred revenue	3,590	(1,642)
Accrued liabilities	(129)	10,485
	(84,468)	684,134
Net Cash Provided by/(used in) Operating Activities		
 <b>Investing Activities:</b>		
Purchases of fixed assets	(3,290)	(3,055)
Jung relocation related expenses (asset holding account)	(48,461)	-
Purchases of investments	(1,302,863)	(2,208,298)
Sales of investments	1,410,194	1,610,066
	55,580	(601,287)
Net Cash Provided by/(used in) Investing Activities		
 Net Increase/(Decrease) in Cash and Cash Equivalents	(28,888)	82,847
 Cash and Cash Equivalents - Beginning of Year	206,879	124,032
 Cash and Cash Equivalents - End of Year	\$ 177,991	\$ 206,879

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditors' Report.



THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 1 Organization:

The C.G. Jung Institute of San Francisco (the "Institute") was founded to advance a viewpoint vital to the conscious, ethical practice and utilization of analytical psychology and to disseminate knowledge central to that end. The Institute trains psychotherapists to become Jungian analysts and maintains a collegial society to provide continuing education and ethical review for member analysts. It offers education and information to other professionals and the general public and promotes research about Jungian analysis and psychotherapy.

The Institute maintains the Virginia Allan Detloff Library and the Archive for Research in Archetypal Symbolism (ARAS) as educational resources. ARAS maintains an extensive library of slides, reproductions of slides and reproductions of art objects having symbolic cross-cultural significance. No dollar amounts have been included for the ARAS collection since a value for it cannot be established.

The Institute operates the James Goodrich Whitney clinic to provide access to Jungian psychotherapy to those who are unable to afford the cost of private treatment.

Note 2 Summary of Significant Accounting Policies:

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial statement presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed stipulations. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met, by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets—Net assets subject to donor or board-imposed stipulations that they be maintained permanently by the Institute. Generally, the donors of these assets permit the Institute to use all or part of the income earned, if any, on any related investments for unrestricted purposes.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 2 Summary of Significant Accounting Policies (continued):

Cash equivalents

For purposes of the statement of cash flows, the Institute considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Tax-exempt status

The Institute is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. The Institute is subject to routine audits by taxing jurisdictions; however, currently, there are no audits in progress. The Institute is no longer subject to income tax examination for years prior to 2009. The Institute has no uncertain tax positions as of June 30, 2015 and 2014.

Property and equipment

The Institute capitalizes property and equipment with a cost of over \$1,000 and an estimated life of three years or more. Property and equipment are stated at cost and are being depreciated using the straight-line method over their estimated useful lives, which range from 5 to 40 years. Minor renewals or replacements and maintenance and repairs are expensed. Major replacements and improvements are capitalized.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In-kind contributions

The Institute records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

The Institute's clinical program is operated by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 2. Summary of Significant Accounting Policies (continued):

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Institute provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Institute's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. For the years ended June 30, 2015 and 2014, allowance for doubtful accounts totaled \$500.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Reclassifications

Certain 2014 balances have been reclassified to conform with 2015 presentation. These reclassifications have no impact on changes in net assets.

Note 3. Fair Value Measurements:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that provides the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
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THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 3 Fair Value Measurements (continued):

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- Level 2                      Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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- Level 3                      Inputs to the valuation methodology include:
- Valuation methodology is unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Institute's assets at fair value as of June 30, 2015 and 2014:

	June 30, 2015			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	\$ 2,729,615	\$ 4,718,414	\$ -	\$ 4,718,414
Certificates of Deposit	800,000	800,825	-	800,825
Government Bonds	499,407	504,996	-	504,996
Corporate Bonds	2,625,482	2,642,400	-	2,642,400
Total Investments	\$ 6,654,504	\$ 8,666,635	\$ -	\$ 8,666,635
	June 30, 2014			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	\$ 2,589,173	\$ 4,725,815	\$ -	\$ 4,725,815
Certificates of Deposit	1,050,000	1,049,439	-	1,049,439
Government Bonds	349,541	359,207	-	359,207
Corporate Bonds	2,633,987	2,678,820	-	2,678,820
Total Investments	\$ 6,622,701	\$ 8,813,281	\$ -	\$ 8,813,281

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 3 Fair Value Measurements (continued):

The Institute paid investment management fees totaling \$48,770 and \$40,180 for the years ended June 30, 2015 and 2014, respectively.

Methodology Used to Determine Fair Value of Investments

*Level 1 Investments* – Quoted market price.

Although the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4 Property and Equipment:

Property and equipment consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 76,800	\$ 76,800
Improvements	455,754	455,754
Furniture and Equipment	<u>64,714</u>	<u>61,424</u>
Total, Gross	597,268	593,978
Less: Accumulated Depreciation	<u>(377,614)</u>	<u>(358,611)</u>
Institute Relocation	<u>48,461</u>	<u>-</u>
Total, Net	<u>\$ 268,115</u>	<u>\$ 235,367</u>

The Board approved the relocation of the Institute to a site to be determined. As of June 30, 2015, the Institute incurred \$48,461 in costs associated with the relocation. These costs will be subject to depreciation when the relocation is complete. Please refer to Note 10 for additional discussion on the relocation efforts.

Depreciation expense for the years ended June 30, 2015 and 2014 was \$19,003 and \$21,789, respectively.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015 AND 2014

Note 5 Risk and Uncertainties:

The Institute maintains cash and investment balances at various financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Throughout the year, the cash balances exceeded the FDIC insured limits. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash for the years ended June 30, 2015 and 2014.

Note 6 Temporarily Restricted Assets:

Temporarily restricted net assets consisted of the following for the year ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Ayer Fund	\$ 30,220	\$ 31,436
Bradway - Child Fund	41,955	41,955
Bradway - Archive	5,554	5,659
SF Foundation	63,011	78,639
East Bay Foundation	88,683	-
Brickyard (Various)	11,982	11,982
Clinic	1,541,446	1,606,481
Deaver	-	3,447
Other	1,822	2,068
Detloff Fund	2,500	2,500
Website	-	7,381
International Student	75,351	75,351
Van Loben Sels	<u>103,065</u>	<u>100,478</u>
Total	<u>\$ 1,965,589</u>	<u>\$ 1,967,377</u>

Note 7 Unrestricted - Board Designated:

The board has designated \$77,139 in unrestricted net assets to establish a Build Fund. The Build fund will be used to fund the relocation of the Institute. Please see Note 10 for additional discussion on the Institute relocation.

Note 8 Retirement Plan:

The Institute adopted a 403(b) retirement plan (the "Plan"). The Institute's contribution to the plan is six percent of annual compensation for each participant, or ten percent if matched by the employee. Certain employees are presently covered by the retirement Plan. Funding is made on a monthly basis. Employer contributions to the Plan totaled \$26,056 and \$24,310 for the years ended June 30, 2015 and 2014, respectively.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 9 Endowment:

On July 1, 1990, a donor established the Friends of the ARAS endowment fund in honor of Joseph L. Henderson.

**Interpretation of Relevant Law**

The Board of Directors of the Institute has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Institute and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Institute.
- (7) The investment policies of the Institute.

**Return Objectives and Risk Parameters**

The Institute is in the process of adopting formal investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the endowment assets are invested assuming a conservative level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

Note 9 Endowment (continued):

Listed below is a summary of the endowment activity for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Endowment Net Assets, Beginning of Year	\$ 97,672	\$ 92,516
Contributions	-	-
Investment Income	6,372	11,250
Investment Management Fee	(465)	(401)
Expenditures	(5,907)	(5,693)
Transfers	<u>-</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 97,672</u>	<u>\$ 97,672</u>

Note 10 Jung Institute Relocation:

The Board approved the relocation of the Jung Institute to a site to be determined. The Institute has incurred \$48,461 in relocation related expenses for the year ended June 30, 2015. These fees were capitalized and will be depreciated upon completion of the relocation. These expenses include \$43,123 paid to a consultant to oversee the identification, acquisition and the relocation of the Institute. The consultant overseeing the relocation is also a member of the finance committee, a related party.

The Institute hopes the relocation will be finalized within the next two fiscal years.

Note 11 Subsequent Events:

Management has evaluated the impact of subsequent events through January 22, 2015, the date the financial statements were available to be issued. Management has not identified any subsequent events that would require and adjustment to the financial statements or disclosure as required under generally accepted accounting principles.