

COMMUNITY FOUNDATION FOR
SOUTHERN ARIZONA AND AFFILIATES

Audited Consolidated Financial Statements
and Supplementary Information

For the years ended June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Community Foundation for Southern Arizona and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Community Foundation for Southern Arizona and Affiliates (nonprofit organizations) which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Worth & Dot Howard Foundation, a supporting organization of Community Foundation for Southern Arizona, which statements reflect total assets of \$1,616,167 and \$1,776,486 as of June 30, 2020 and 2019, respectively, and total revenue and support of \$19,889 and \$165,274, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Worth & Dot Howard Foundation, is based solely on the report of the other auditors. We did not audit the financial statements of Thomas R. Brown Family Foundation, a supporting organization of Community Foundation for Southern Arizona, which statements reflect total assets of \$10,703,084 and \$9,961,442 as of June 30, 2020 and 2019, respectively, and total revenue and support of \$2,057,357 and \$2,549,113, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Thomas R. Brown Family Foundation, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



INDEPENDENT AUDITOR'S REPORT, Continued

Opinion

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation for Southern Arizona and Affiliates as of June 30, 2020 and 2019, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 28 through 33 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

LUDWIG KLEWER & RUDNER PLLC

January 11, 2021



Chris Wm. Ludwig, CPA Julie S. Klewer, CPA, MBA Eric S. Rudner, CPA
4783 East Camp Lowell Drive Tucson, Arizona 85712
www.lkrpcpas.com t 520 545 0500 f 520 545 0555

Certified Public Accountants & Consultants

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2020 and 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	\$ 15,444,799	\$ 15,744,282
Unconditional promises to give, current portion	112,418	137,398
Grants and other receivables	782,186	-
Contributions and bequests receivable, current portion	4,332,553	4,318,192
Investments - other, current portion	15,000	-
Notes receivable, current portion	380,419	-
Prepaid expenses and other current assets	33,290	47,141
Total current assets	21,100,665	20,247,013
Unconditional promises to give, net, non-current portion	22,094	92,393
Contributions and bequests receivable, non-current portion	1,385,047	3,066,836
Notes receivable, net, non-current portion	1,430,677	275,000
Investments - other, non-current portion	1,485,000	1,763,833
Investments	123,963,023	123,143,099
Property and equipment, net	5,918,114	6,009,518
Other assets	55,497	32,063
Total assets	<u>\$ 155,360,117</u>	<u>\$ 154,629,755</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 198,280	\$ 226,524
Grants and distributions payable	1,552,388	7,729,121
Designated obligations	1,085,317	1,114,670
Due to other agencies	6,611,170	7,032,006
Deferred compensation liability, current portion	74,461	-
Note payable, current portion	-	217,231
Total current liabilities	9,521,616	16,319,552
Deferred compensation liability, non-current portion	-	49,826
Note payable, non-current portion	-	2,093,254
Total liabilities	9,521,616	18,462,632
Net assets:		
Without donor restrictions:		
Undesignated	77,206,084	69,504,221
Designated by the Board for endowment	1,202,917	1,222,650
Designated by the Board - non-endowment	1,525,000	1,346,411
Total net assets without donor restrictions	79,934,001	72,073,282
With donor restrictions:		
Restricted for specified purposes	3,558,347	3,578,881
Restricted to the passage of time	4,522,896	2,270,049
Subject to appropriation and expenditure	1,244,538	1,831,895
Underwater endowments	(7,092,246)	(5,206,407)
Restricted in perpetuity - endowment	63,670,965	61,619,423
Total net assets with donor restrictions	65,904,500	64,093,841
Total net assets	<u>145,838,501</u>	<u>136,167,123</u>
Total liabilities and net assets	<u>\$ 155,360,117</u>	<u>\$ 154,629,755</u>

See independent auditor's report and accompanying notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Support:			
Contributions and bequests	\$ 14,351,786	\$ 5,307,058	\$ 19,658,844
Grants and trusts	125,692	1,000,000	1,125,692
Special events, net	180,408	-	180,408
Total support	14,657,886	6,307,058	20,964,944
Revenue, investment and other income:			
Investment income, net	1,557,415	1,582,875	3,140,290
Fund management fees	79,588	-	79,588
Rental income	140,718	-	140,718
Loss on disposal of property	(18,000)	-	(18,000)
Other revenue	50,152	-	50,152
Total revenue, investment and other income	1,809,873	1,582,875	3,392,748
Net assets released from restrictions:			
Appropriated for expenditure	6,079,274	(6,079,274)	-
Total revenue and support	22,547,033	1,810,659	24,357,692
Expenses:			
Program services	12,509,060	-	12,509,060
General and administrative	1,491,716	-	1,491,716
Fund-raising and development	685,538	-	685,538
Total expenses	14,686,314	-	14,686,314
Change in net assets	7,860,719	1,810,659	9,671,378
Net assets, beginning of year	72,073,282	64,093,841	136,167,123
Net assets, end of year	\$ 79,934,001	\$ 65,904,500	\$ 145,838,501

See independent auditor's report and accompanying notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Support:			
Contributions and bequests	\$ 7,711,400	\$ 1,480,323	\$ 9,191,723
Grants and trusts	377,977	-	377,977
Special events, net	168,427	-	168,427
Total support	8,257,804	1,480,323	9,738,127
Revenue, investment and other income:			
Investment income, net	2,738,402	2,305,485	5,043,887
Fund management fees	88,013	-	88,013
Other revenue	23,460	-	23,460
Rental income	22,675	-	22,675
Total revenue, investment and other income	2,872,550	2,305,485	5,178,035
Net assets released from restrictions:			
Appropriated for expenditure	9,336,653	(9,336,653)	-
Total revenue and support	20,467,007	(5,550,845)	14,916,162
Expenses:			
Program services	18,917,335	-	18,917,335
General and administrative	1,416,584	-	1,416,584
Fund-raising and development	789,569	-	789,569
Total expenses	21,123,488	-	21,123,488
Change in net assets	(656,481)	(5,550,845)	(6,207,326)
Net assets, beginning of year, reclassified, restated	73,502,599	69,728,942	143,231,541
Transfer to separate organization	(772,836)	(84,256)	(857,092)
Net assets, end of year, reclassified	\$ 72,073,282	\$ 64,093,841	\$ 136,167,123

See independent auditor's report and accompanying notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the years ended June 30, 2020

	Program Services	General and Administrative	Fund-raising and Development	Total
Payroll	\$ 571,231	\$ 550,581	\$ 419,832	\$ 1,541,644
Taxes and employee benefits	110,120	110,650	87,025	307,795
Total payroll and employee benefits	681,351	661,231	506,857	1,849,439
Advertising and promotion	32,594	32,461	34,552	99,607
Consulting and professional services	158,591	165,391	43,069	367,051
Depreciation	550	232,810	-	233,360
Dues and subscriptions	36,211	38,904	29,163	104,278
Grants and scholarships	11,487,437	-	-	11,487,437
Information technology	17,076	41,922	15,642	74,640
Insurance	8,307	22,803	7,523	38,633
Interest expense	-	59,971	-	59,971
Occupancy	16,964	153,075	9,323	179,362
Office expenses	22,455	38,108	14,747	75,310
Postage and printing	8,344	12,908	9,576	30,828
Program supplies	19,181	-	-	19,181
Taxes, licenses and fees	2,499	14,835	3,045	20,379
Travel, conferences and meetings	17,500	17,297	12,041	46,838
	<u>\$ 12,509,060</u>	<u>\$ 1,491,716</u>	<u>\$ 685,538</u>	<u>\$ 14,686,314</u>

See independent auditor's report and accompanying notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the years ended June 30, 2019

	Program Services	General and Administrative	Fund-raising and Development	Total
Payroll	\$ 585,560	\$ 535,388	\$ 411,693	\$ 1,532,641
Taxes and employee benefits	102,375	105,437	86,616	294,428
Total payroll and employee benefits	687,935	640,825	498,309	1,827,069
Advertising and promotion	55,569	51,319	34,976	141,864
Consulting and professional services	197,902	191,315	125,024	514,241
Depreciation	2,476	136,450	-	138,926
Dues and subscriptions	32,700	32,794	24,724	90,218
Grants and scholarships	17,790,646	-	-	17,790,646
Information technology	12,470	30,234	13,129	55,833
Insurance	8,719	24,531	6,819	40,069
Interest expense	-	62,388	-	62,388
Occupancy	67,807	128,697	39,025	235,529
Office expenses	5,494	36,278	15,726	57,498
Postage and printing	7,052	10,958	8,818	26,828
Program supplies	16,768	-	-	16,768
Taxes, licenses and fees	2,200	48,761	2,741	53,702
Travel, conferences and meetings	29,597	22,034	20,278	71,909
	<u>\$ 18,917,335</u>	<u>\$ 1,416,584</u>	<u>\$ 789,569</u>	<u>\$ 21,123,488</u>

See independent auditor's report and accompanying notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 9,671,378	\$ (6,207,326)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized (gain) loss on sale of investments, net	(298,172)	273,373
Unrealized loss (gain) on investments, net	191,663	(1,971,291)
Depreciation	233,360	138,926
Change in operating assets and liabilities:		
Unconditional promises to give	(154)	(353)
Grants and other receivables	(782,186)	-
Contributions and bequests receivable	1,453,671	2,476,779
Prepaid expenses and other current assets	13,851	275,323
Other assets	(23,434)	17,991
Accounts payable and accrued expenses	(28,244)	63,663
Grants and distributions payable	(6,176,733)	5,711,524
Designated obligations	(29,353)	(145,960)
Deferred compensation liability	24,635	25,492
Change in agency funds, including investment gains	(420,836)	(70,852)
Total adjustments	(5,841,932)	6,794,615
Net cash provided by operating activities	3,829,446	587,289
Cash flows from investing activities:		
Payments on notes receivable	50,000	75,000
Advances on notes receivable	(1,539,989)	-
Purchases of investments - other	(90,000)	(960,000)
Proceeds from sale of investments	44,681,417	26,328,756
Proceeds from redemption of investments - other	350,000	275,000
Purchases of investments	(45,223,349)	(21,329,537)
Interest expense capitalized	-	(46,933)
Purchases of property and equipment	(141,956)	(2,843,815)
Net cash (used in) provided by investing activities	(1,913,877)	1,498,471
Cash flows from financing activities:		
Repayments of note payable	(2,310,485)	(186,381)
Cash collected and restricted for long-term purposes	95,433	322,627
Net cash (used in) provided by financing activities	(2,215,052)	136,246
Net change in cash and cash equivalents	(299,483)	2,222,006
Cash and cash equivalents, beginning of year	15,744,282	14,200,294
Cash transferred to separate organization	-	(678,018)
Cash and cash equivalents, end of year	\$ 15,444,799	\$ 15,744,282
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 179,362	\$ 109,135
Schedule of non-cash investing and financing activities:		
Note receivable from bequest	\$ 46,107	\$ -
Investment property received from bequest	\$ 167,650	\$ -

See independent auditor's report and accompanying notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

1. Organization

Community Foundation for Southern Arizona (CFSA), was established in 1980 in the State of Arizona as a nonprofit corporation that promotes the work of civic, cultural and educational organizations in Southern Arizona by stimulating philanthropic resources. The mission of CFSA is to inspire and support donors in making a difference now and forever. As a public charity, we accomplish our mission by building permanent charitable funds, connecting donors to organizations and programs they care about, making effective grants and providing leadership on community issues.

The consolidated financial statements include the following:

The CFSA Pooled Income Fund (PIF) – a fund established to maintain collective investments and reinvestment of property transferred to the fund. The donor creates a life income interest for one or more beneficiaries and contributes an irrevocable remainder interest to, or for, the use of CFSA unless further restricted by the donor.

The CFSA Charitable Remainder Trust Fund (CRTF) – a fund that includes trusts and charitable gift annuities whereby the individuals receive income during their lifetime. Upon the donor's death, the assets will be transferred to CFSA's unrestricted fund unless further restricted by the donor.

CFSA Community Campus, LLC (CFSACC) – a limited liability company formed when CFSA purchased a building located at 5049 E. Broadway, Tucson, Arizona, to create a nonprofit campus that houses CFSA and its affiliates as well as other nonprofits. Co-working space and numerous sizes of offices and suites are available to rent. The campus also provides quality meeting spaces for small and large gatherings, as well as a center for nonprofits to go for technical assistance.

Section 509(a)(3) Supporting Organizations – an Internal Revenue Code (IRC) Section 509(a)(3) support organization is an entity which achieves tax-exempt charitable organization status by having a close relationship with a public charity. To establish a close relationship, a majority of the supporting organization's Board of Trustees are elected by CFSA's Board of Trustees, and the supporting organization and CFSA have common charitable purposes and goals.

Supporting organizations include:

The William E. Hall Foundation (WEHF) supports grants to programs for children.

The Worth & Dot Howard Foundation (WDHF) supports grants to qualified high school students to pursue higher education.

CFSA Properties, Inc. (CFSAP) supports the purposes of CFSA by providing management of CFSA's real property.

The Thomas R. Brown Family Foundation (TRBFF) supports the purposes of CFSA through grants to qualified religious, charitable, scientific and educational organizations.

The David S. and Norma R. Lewis Foundation (LEWIS) supports global initiatives that give people the tools and resources to build hope, equality, opportunity, justice, equity and compassion in human relations. It also supports Southern Arizona creative arts organizations and initiatives that help the less fortunate succeed.

The Zuckerman Community Outreach Foundation (ZCOF) supports the community through grants to organizations that promote health and wellness on local and national levels, as well as creative and artistic endeavors that positively impact the human experience. The ZOCF Board of Directors voted to dissolve the organization on May 28, 2019, and the articles of dissolution were filed on June 26, 2019. The assets were distributed to donor-advised funds subsequent to June 30, 2019.

The Howard V. Moore Foundation (HVMF) makes qualifying distributions to CFSA in support of philanthropic purposes.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

1. Organization, Continued

Social Venture Partners (SVP Tucson) is a group of diverse, highly experienced and engaged individuals that come from varied business, philanthropic and academic backgrounds to apply venture capital principles to philanthropy. SVP Tucson members collaborate with carefully selected Tucson area nonprofits to deliver meaningful social impact through a combination of funding and volunteering.

The Sycamore Canyon Conservation Foundation (SYCAM) guides the conservation, protection and appreciation of the dedicated Sycamore Canyon Preserve natural open space by preserving natural habitats, geographic features and scenic views including plants, washes and wildlife corridors. SYCAM restores habitats, utilizing natural open space as buffer zones, provides educational and research opportunities and increases public awareness and appreciation of the land.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Community Foundation for Southern Arizona and its Affiliates (collectively referred to as the Foundation). Each of the entities maintains their own net assets. All significant inter-organization transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements are prepared using the accrual method of accounting and are presented on the basis of net assets with donor restrictions and net assets without donor restrictions.

Following is a summary of the net asset categories included in the accompanying consolidated financial statements:

Net Assets Without Donor Restrictions is defined as that portion of net assets that has no use or time restrictions. The bylaws of CFSA include a variance provision giving the Board of Directors (the "Board") the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgement of the Board, and in accordance with the laws of Arizona, (without the necessity of the approval of any Trustee, custodian or agent), such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Southern Arizona. Based on that provision, CFSA classifies contributions, except those noted with restriction below, as net assets without donor restrictions for financial statement presentation. Net assets without donor restrictions includes \$1,525,000 and \$1,346,411 at June 30, 2020 and 2019, respectively, designated by the TRBFF Board for specified purposes that are not endowment.

Undesignated: Includes balances in non-endowed funds, and amounts remaining from the annual spendable appropriation from endowed funds, that have not been restricted for a specific purpose.

Designated by Board for endowment: Includes Board-designated endowment funds from assets received without donor restrictions or specifically for CFSA administrative functions. These funds help to support community leadership activities and other Foundation operating activities. The Board-designated endowment funds distribute an annual payout based on the Board approved spending policy which is used to provide funding.

Designated by Board – non-endowment: Includes Board-designated funds from assets received without donor restrictions and designated by the Board for specific activities of the organization.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

2. Summary of Significant Accounting Policies, Continued

Basis of Accounting, continued

Net Assets With Donor Restrictions result from charitable assets received and endowment investment earnings that are subject to stipulations imposed by donors that restrict the use or distribution of these funds. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained as endowed funds. In accordance with Internal Revenue Service (IRS) regulations for community foundations, the Foundation's bylaws provide for variance power. Under certain unanticipated circumstances, this variance power allows for the modification of restrictions; however, management believes that such variance power is not intended to apply to endowment restrictions made by the donor. Accordingly, these amounts are included as a component of net assets with donor restrictions, restricted in perpetuity - endowment.

Restricted for specified purpose: Includes donor contributions for initiatives and special projects for which purpose restrictions apply. Such contributions are recorded as net assets with donor restrictions until purpose restrictions are met.

Restricted for passage of time: Includes contributions unconditionally promised, including irrevocable planned gifts. These assets are recorded at fair value, and when appropriate are discounted at a rate commensurate with the risks involved. These funds are classified as net assets with donor restrictions until the funds are received.

Restricted in perpetuity – endowment: Includes contributions where the donor has stated that such funds are to be held in endowment providing a permanent source of revenue for charitable purposes. These funds are released from donor restricted net assets when they are appropriated based on CFSA's spending policy.

It is the Foundation's policy that net assets restricted in perpetuity assets are reported at their original value at the time of the gift. Realized and unrealized gains and losses on those assets are recorded as net assets with donor restrictions until appropriated for expenditure, at which time they are released to net assets without donor restrictions.

Accounting Estimates

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

Administrative Allocation

Charges for administrative and overhead expenses of the Foundation are allocated against the resources of the Foundation based on rates determined by the Board of Trustees or individual fund agreements. Management believes such rates do not exceed what is normally charged to funds by community foundations nationwide.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are maintained at various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures cash accounts up to \$250,000 per institution. The Foundation had \$9,019,571 and \$8,578,608 in cash in excess of the FDIC limit at June 30, 2020 and 2019, respectively.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

2. Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents, continued

Investments held by brokerage institutions are covered up to \$500,000 under insurance provided by the Securities Investor Protection Corporation (SIPC). However, the SIPC does not protect against losses in market value. The Foundation had \$112,351,768 and \$112,279,822 in investments in excess of the SIPC limit at June 30, 2020 and 2019, respectively. The Foundation's investments on deposit with brokerage institutions are also insured under additional insurance in varying amounts based on the brokerage institution. This additional protection becomes available in the event that SIPC limits are exhausted. It is the opinion of management that the solvency of the referenced financial institutions is not of concern at this time.

Investments – Other

Investments - other is comprised of certificates of deposit held for investment that are not debt securities. The certificates of deposit maturities range from September 2020 through May 2023, have annual fixed interest rates ranging from 2.05% to 2.96% and are recorded at cost which approximates fair market value. Certificates of deposit are classified as current or non-current based on their maturity date. Certificates of deposit with maturity dates less than one year from the statement of financial position date are classified as current. Certificates of deposit with maturities greater than one year are classified as non-current.

Investments

In accordance with accounting principles generally accepted in the United States of America applicable to nonprofit organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets section in the accompanying consolidated statements of activities. CFSA maintains pooled investment accounts. Realized and unrealized gains and losses from investments in the pooled accounts are allocated to the individual funds based on the relationship of the fair value of each fund to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts. Oil and gas interests are valued at a multiple of the average of five years' earnings based on estate valuation guidance issued by the IRS.

Unconditional Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decrease of liabilities or expenses depending on the form of the benefits received. Such unconditional promises to give are recorded at their present value calculated over the time period of the commitment and recognized as contribution revenue as the net present value increases. Management evaluates unconditional promises to give and establishes an allowance for doubtful unconditional promises to give based on an estimate of uncollectible amounts.

Contributions and Bequests Receivable

Bequests are recognized as contribution revenue in the period in which the Foundation receives notification that a will or trust has been enacted, the court has deemed the will or trust valid and all conditions have been substantially met. The revenue and related receivable are recorded at the amount which management estimates it will collect.

Property and Equipment

Property and equipment is stated at cost if purchased or fair market value if donated. The costs of maintenance, repairs and minor renewals are charged to expense in the year incurred. The Foundation's policy is to capitalize expenditures for property and equipment that exceed \$2,500 and have a useful life that extends beyond one year.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

2. Summary of Significant Accounting Policies, Continued

Property and Equipment, continued

When items are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the consolidated statements of activities. Donated property and equipment is reported as unrestricted revenue and support unless the granting agency or donor has restricted the asset to a specific purpose. Property and equipment purchased with restricted funds or donated with explicit restrictions regarding their use are reported as restricted revenue and support. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

Buildings and improvements	10 - 40 years
Equipment and furniture	5 - 8 years
Computers and software	3 - 5 years

Grants and Distributions Payable

Grants and distributions payable represent support grants pledged by the Foundation to recipient organizations that are not yet disbursed.

Land Held for Conservation/Permanent Collections – Conservation Easements

SYCAM is a conservation organization having among its purposes the protection on behalf of the public of open space, scenic, historic and recreational lands. As a qualified holder of conservation easements, SYCAM is generally responsible for ensuring that the terms of the easements are not violated. As of June 30, 2020 and 2019, SYCAM held one conservation easement. SYCAM has opted to expense purchased conservation easements and donated easements are not recorded.

Designated Obligations

CFSA's trustees manage assets contributed to the PIF and the CRTF under which CFSA has the irrevocable remainder interest. Such assets are restricted as to use until the death of the designated income beneficiaries. Upon the death of the income beneficiaries, the assets of each of these entities will be distributed to certain charities or to CFSA, as dictated by the corresponding agreement. The present value of the expected obligations has been recorded as a designated obligation, and any annual changes in that obligation are reflected as a change in value.

Due to Other Agencies

CFSA manages funds for other nonprofit agencies in Southern Arizona on a fee basis. The nonprofit agencies have the right to withdraw the funds and, therefore, a corresponding liability has been recorded.

Interest Income

Interest income is allocated monthly within CFSA, the PIF and several trusts and supporting organizations participating in the CFSA investment pools. These allocations are based on the fair market value balances of the respective funds invested during the month.

Contributions and Restricted Revenue

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

2. Summary of Significant Accounting Policies, Continued

Income Taxes

CFSA is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the IRC. Income from certain activities not directly related to CFSA's tax-exempt purpose may be subject to taxation as unrelated business income. CFSA also qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). Supporting organizations are classified under Section 509(a)(3) of the IRC. There were no income taxes paid during the years ended June 30, 2020 and 2019.

The Foundation's policy is to disclose or recognize income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax positions. As of June 30, 2020, management is not aware of any uncertain tax positions that are potentially material.

Functional Expense Allocations

Costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which apply to more than one functional category have been allocated among program, general and administrative and fundraising based on the time spent on these functions by specific employees as estimated by management. Costs related to the operations of the CF Campus have been allocated to general and administrative expense. Other costs not specifically allocated, such as information technology and general office supplies, have been allocated on the basis of time and effort.

3. Change in Accounting Principle

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among non-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis during the year ended June 30, 2020. As a result, there was no cumulative effect adjustment to opening net assets, with or without donor restrictions, as of July 1, 2019. In addition, there was no impact of adopting this new accounting principle to the financial statements as of and for the year ended June 30, 2020.

4. Liquidity and Availability of Resources

CFSA's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, are comprised of:

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

4. Liquidity and Availability of Resources, Continued

	2020	2019
Cash and cash equivalents	\$ 15,444,799	\$ 15,744,282
Unconditional promises to give, current portion	112,418	137,398
Grants and other receivables	782,186	-
Contributions and bequests receivable, current portion	4,332,553	4,318,192
Investments - other, current portion	15,000	-
Notes receivable, current portion	380,419	-
Total financial assets available within one year	21,067,375	20,199,872
Less:		
Amounts unavailable for general expenditure within one year due to:		
Designated by the Board for endowment	1,202,917	1,222,650
Designated by the Board - non-endowment	1,525,000	1,346,411
Restricted to the passage of time	4,522,896	2,270,049
Total amounts unavailable for general expenditure within one year	7,250,813	4,839,110
Total financial assets available to management for general expenditure within one year	\$ 13,816,562	\$ 15,360,762

CFSA's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets are considered unavailable when either illiquid or not convertible to cash within one year and include assets held for others, endowments, accumulated earnings net of appropriations within one year and board-designated endowments. The board-designated endowments could be utilized upon board approval.

5. Unconditional Promises to Give

Unconditional promises to give due after one year are discounted at 3.25% and 5.5% at June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, unconditional promises to give consists of balances to be paid in future years as follows:

	2020	2019
2020	\$ -	\$ 137,398
2021	112,418	77,344
2022	23,331	24,389
2023	222	222
Total unconditional promises to give	135,971	239,353
Less interest component	(1,459)	(9,562)
Unconditional promises to give, net	134,512	229,791
Less current portion	(112,418)	(137,398)
Non-current portion	\$ 22,094	\$ 92,393

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

6. Notes Receivable

Notes receivable consist of the following at June 30,:

	2020	2019
Note receivable from a nonprofit organization with interest only payments at an annual rate of 2% payable quarterly. Principal balance plus any unpaid interest is due October 31, 2020. The note is unsecured.	\$ 100,000	\$ 100,000
Note receivable from a nonprofit organization (borrower); proceeds to be used for PPP lending by the borrower; all PPP loan proceeds received by borrower are payable upon receipt to CFSA; all remaining principal as of April 30, 2021 will be amortized at an annual rate of 1% with monthly principal and interest payments due through December 31, 2022, at which time the remaining balance must be entirely repaid. The note is unsecured.	200,000	-
Senior note receivable from a corporation with quarterly payments of \$25,143, including interest at 4.5% to corporation's component fund held at CFSA, through June 30, 2025 at which time any principal balance plus unpaid interest is due in its entirety. The note is subordinate to all senior debt of the corporation, and is collateralized by corporation stock held in an ESOP.	447,195	-
Junior note receivable from a corporation with quarterly interest-only payments at an annual interest rate of 4.0% to corporation's component fund held at CFSA, through June 30, 2025 at which time quarterly payments of \$32,854, including interest at 4.0% are due through June 30, 2030, at which time any principal balance plus unpaid interest is due in its entirety. The note is subordinate to all senior debt of the corporation and the senior note receivable described above, and is collateralized by corporation stock held in an ESOP.	592,794	-
Note receivable from a company due in monthly payments of \$527, including interest at an annual rate of 6.5% through April 15, 2033 at which time any principal and unpaid interest is due in its entirety; secured by real property. The note was repaid in its entirety during the year ended June 30, 2021.	46,107	-
Note receivable from a nonprofit organization with interest only payments at an annual rate of 2% payable semi-annually. Principal balance plus any unpaid interest is due April 19, 2021. The note is unsecured.	-	50,000

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

6. Notes Receivable, Continued

unsecured.

Note receivable from a nonprofit organization with interest-only payments at an annual rate of 2.25% payable monthly through October 2024 when the entire principal and any unpaid interest is due in its entirety. Interest payments have been temporarily suspended as of June 30, 2020 and will resume accruing at a future date that has not been determined. The note is unsecured.

Note receivable from a nonprofit organization with interest only payments at an annual rate of 2% payable quarterly. Principal balance plus any unpaid interest is due May 8, 2021. The note is unsecured.

Total notes receivable

Current portion

Non-current portion

Future maturities at June 30, 2020 are:

Year ended

June 30,

2021

2022

2023

2024

2025

Thereafter

Total notes receivable

	2020	2019
	-	50,000
	300,000	-
	125,000	125,000
	1,811,096	275,000
	(380,419)	-
	<u>\$ 1,430,677</u>	<u>\$ 275,000</u>

\$	380,419
	199,655
	146,928
	93,502
	397,799
	<u>592,793</u>
\$	<u>1,811,096</u>

7. Property and Equipment

Property and equipment consists of the following at June 30,:

Land and improvements

Building and improvements

Equipment and furniture

Computers and software

Total property and equipment

Less accumulated depreciation

Property and equipment, net

	2020	2019
\$	726,563	\$ 655,889
	5,119,152	5,051,833
	448,383	445,490
	79,425	79,425
	<u>6,373,523</u>	<u>6,232,637</u>
	(455,409)	(223,119)
\$	<u>5,918,114</u>	<u>\$ 6,009,518</u>

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

8. Investments

Investments consist of the following at June 30,:

	2020	2019
Mutual funds	\$ 103,863,523	\$ 97,512,889
Stocks	11,862,682	17,474,885
Fixed income	3,532,736	3,652,954
Interest in trust	1,784,117	1,829,666
Alternative investments	2,743,595	2,636,985
Investment in land	176,370	35,720
Total investments	<u>\$ 123,963,023</u>	<u>\$ 123,143,099</u>

Investment income for the year ended June 30, 2020 consists of:

	CFSA, CRTF and PIF	Supporting Organizations	Total
Unrealized (losses) gains	\$ (49,305)	\$ (142,358)	\$ (191,663)
Interest and dividends	2,752,834	536,704	3,289,538
Realized/unrealized gains/losses, net	279,824	18,348	298,172
Royalties	-	73,255	73,255
Administrative charges	(294,743)	(34,269)	(329,012)
Investment income, net	<u>\$ 2,688,610</u>	<u>\$ 451,680</u>	<u>\$ 3,140,290</u>

Investment income for the year ended June 30, 2019 consists of:

	CFSA, CRTF and PIF	Supporting Organizations	Total
Unrealized gains	\$ 1,761,725	\$ 209,566	\$ 1,971,291
Interest and dividends	2,811,058	772,910	3,583,968
Realized/unrealized gains/losses, net	(379,995)	106,622	(273,373)
Royalties	-	110,469	110,469
Administrative charges	(270,698)	(77,770)	(348,468)
Investment income, net	<u>\$ 3,922,090</u>	<u>\$ 1,121,797</u>	<u>\$ 5,043,887</u>

At June 30, 2020 and 2019, respectively, \$13,323,745 and \$15,945,510 of the total investments are invested and valued by various supporting organizations' own investment policies and guidelines. At June 30, 2020 and 2019, respectively, \$63,670,965 and \$61,619,423 of the investments held by CFSA were endowment net assets not subject to appropriation and expenditure and, as such, were unavailable for operations.

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

9. Fair Value Measurements

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

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.

Level 3: Inputs to the valuation methodology are 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 is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Mutual funds: valued at the net asset value of shares held by the Foundation at year end.

Stocks and bonds: valued at the closing price reported on the active market on which they are traded.

Pooled equity funds: valued at the fair value of the underlying investments as reported by the third parties.

Other investments: other investments include oil and gas interests and land. Oil and gas interests are valued at a multiple of the average of five years' earnings based on estate valuation guidance issued by the IRS. Land is valued at the offer price of a third party.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management 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.

The table below sets forth by level, investments at fair value as of June 30, 2020:

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

9. Fair Value Measurements, Continued

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 103,863,523	\$ -	\$ -	\$ 103,863,523
Stocks	11,862,682	-	-	11,862,682
Bonds:				
Corporate bonds	2,042,838	-	-	2,042,838
Treasury bonds	1,006,543	-	-	1,006,543
Municipal bonds	483,355	-	-	483,355
Total bonds	3,532,736	-	-	3,532,736
Other investments	-	1,784,117	2,919,965	4,704,082
Total investments	\$ 119,258,941	\$ 1,784,117	\$ 2,919,965	\$ 123,963,023

The table below sets forth by level, investments at fair value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 97,512,889	\$ -	\$ -	\$ 97,512,889
Stocks	17,474,885	-	-	17,474,885
Bonds:				
Corporate bonds	2,287,572	-	-	2,287,572
Treasury bonds	1,134,813	-	-	1,134,813
Municipal bonds	230,569	-	-	230,569
Total bonds	3,652,954	-	-	3,652,954
Other investments	-	1,829,666	2,672,705	4,502,371
Total investments	\$ 118,640,728	\$ 1,829,666	\$ 2,672,705	\$ 123,143,099

The table below sets forth a summary of changes in level 3 investments for the year ended June 30,:

	2020	2019
Balance, beginning of year	\$ 2,672,705	\$ 2,492,331
Realized gain (loss)	(14,374)	17,724
Unrealized loss, net	(675,310)	(587,866)
Change in fair value	(92,389)	(171,130)
Purchases and contributions	1,130,583	1,426,365
Proceeds	(101,250)	(504,719)
Balance, end of year	\$ 2,919,965	\$ 2,672,705

10. Designated Obligations

Designated obligations consist of the following at June 30,:

	2020	2019
Charitable gift annuities	\$ 989,310	\$ 1,011,880
Pooled income fund	96,007	99,790
Unitrusts	-	3,000
Total designated obligations	\$ 1,085,317	\$ 1,114,670

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

11. Due to Other Agencies

Amounts due to other agencies consist of the following at June 30,:

	2020	2019
Yuma Library Foundation Endowment Fund	\$ 2,098,350	\$ 2,143,831
Hellene Henrikson Legacy Fund	924,686	-
Tohono O'Odham Community College Endowment	374,235	369,508
Handi-Dogs Endowment Fund	263,060	272,114
Amphi Foundation Fund	236,256	-
Green Valley Assistance Services Endowment	236,064	260,641
Sarah P. Hausman Endowment Fund	190,532	194,766
Tucson Waldorf School Endowment Fund	188,567	149,964
YWCA of Southern Arizona Endowment Fund	142,897	279,103
Tucson Audubon Endowment Fund	139,374	142,688
Archaeology Southwest Fund	132,668	136,425
NAMI Southern Arizona Endowment Fund	130,064	128,002
Holmes Tuttle Memorial Fund	127,248	130,076
Youth On Their Own Endowment Fund	118,349	112,550
JobPath Fund	110,586	110,112
Sonoran Institute Endowment Fund	-	1,536,222
Other funds	1,198,234	1,066,004
Total due to other agencies	\$ 6,611,170	\$ 7,032,006

12. Note Payable

CFSACC had a note payable to Western Alliance Bank in the amount of \$2,310,485 as of June 30, 2019. The loan required monthly payments of \$26,441, including interest at 4.445% through April 2028 and was secured with existing or future proceeds from capital campaigns, fundraising and accounts receivable. Proceeds from the note were used to pay for construction of the community campus. During the year ended June 30, 2020, this note was repaid in its entirety with proceeds from a loan provided to CFSACC by CFSA. The ending balance at June 30, 2020 is zero.

On December 16, 2019, CFSA and CFSACC entered into a note agreement to provide funds for CFSACC to repay the Western Alliance Bank note in its entirety. Under the terms of the agreement, CFSA advanced \$2,300,000 to CFSACC. The note requires CFSACC to make quarterly interest-only payments at 4.5% to CFSA which are deposited to the endowed pool investment account and allocated as earnings to participating funds. The note is secured by real property, and the principal balance is due and payable on December 16, 2023. This inter-organization note, and the related interest in the amount of \$50,025, have been eliminated in the consolidated statement of financial position as of and for the year ended June 30, 2020.

13. Paycheck Protection Program Conditional Grant

On April 20, 2020, SVP received a loan in the amount of \$50,692 from the Small Business Administration's Paycheck Protection Program ("Program"). Under the terms of the agreement, there are no payments due and interest does not accrue during the period from the loan date through the date the SBA determines the loan forgiveness amount. If SVP does not apply for forgiveness, there are no payments due and interest will not accrue for a period of ten months. If applicable, interest will accrue at the rate of 1%. SVP may apply for forgiveness of the total loan amount, by providing evidence that the loan proceeds were used to fund eligible costs, during either an eight or twenty four-week period, and that additional criteria for forgiveness have been met. Any amount not forgiven will be payable, in full and including interest, on April 20, 2022; however, SVP may negotiate with the lender to extend the maturity date to April 20, 2025.

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

13. Paycheck Protection Program Conditional Grant, Continued

SVP is accounting for the proceeds as a conditional contribution under FASB ASC 958-605 *Not-for-Profit Entities – Revenue Recognition*. Under this guidance, the loan forgiveness is recognized as contribution revenue as the conditions of forgiveness are substantially met. As of June 30, 2020, SVP has expended 100% of the proceeds for eligible expenses during the period from the date the proceeds were disbursed through June 30, 2020. SVP has also evaluated additional forgiveness criteria under the Program, including FTE and wage reduction requirements and exceptions, and management believes that these additional forgiveness criteria have been substantially met as of June 30, 2020. As a result, SVP has recognized grant revenue in the amount of \$50,692, which is included in grant and trust revenue for the year ended June 30, 2020. The entire amount was forgiven by the Small Business Administration subsequent to June 30, 2020.

14. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30,:

	2020	2019
Restricted for specified purpose	\$ 3,558,347	\$ 3,578,881
Restricted to the passage of time	4,522,896	2,270,049
Endowments:		
Subject to endowment spending policy and appropriation:		
Accumulated earnings on original perpetual endowment gifts	1,244,538	1,831,895
Underwater endowments	(7,092,246)	(5,206,407)
Not subject to appropriation and expenditure -		
Perpetual in nature - original endowment gifts	63,670,965	61,619,423
Net assets with donor restrictions	<u>\$ 65,904,500</u>	<u>\$ 64,093,841</u>

Activity in net assets with donor restrictions is comprised of the following for the year ended June 30, 2020:

	Contributions	Investment Income/(Loss)	Releases and Appropriations
Restricted for specified purpose	\$ 170,143	\$ -	\$ (190,677)
Restricted to the passage of time	2,420,275	(47,607)	(119,821)
Endowments:			
Subject to endowment spending policy and appropriation:			
Accumulated earnings on original perpetual endowment gifts	-	453,434	(1,040,791)
Underwater endowments	-	1,177,048	(3,062,887)
Not subject to appropriation and expenditure -			
Perpetual in nature - original endowment gifts	3,716,640	-	(1,665,098)
Net assets with donor restrictions	<u>\$ 6,307,058</u>	<u>\$ 1,582,875</u>	<u>\$ (6,079,274)</u>

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For the years ended June 30, 2020 and 2019

14. Net Assets With Donor Restrictions, Continued

Activity in net assets with donor restrictions is comprised of the following for the year ended June 30, 2019:

	Contributions	Investment Income/(Loss)	Releases and Appropriations
Restricted for specified purpose	\$ 85,275	\$ -	\$ (3,301,431)
Restricted to the passage of time	186,372	70,048	(2,098,347)
Endowments:			
Subject to endowment spending policy and appropriation:			
Accumulated earnings on original perpetual endowment gifts	-	832,566	(1,241,420)
Underwater endowments	-	1,402,871	(2,635,317)
Not subject to appropriation and expenditure -			
Perpetual in nature - original endowment gifts	1,208,676	-	(60,138)
Net assets with donor restrictions	<u>\$ 1,480,323</u>	<u>\$ 2,305,485</u>	<u>\$ (9,336,653)</u>

15. Endowment Funds

The Foundation's endowments consist of several individual funds established under donor restriction for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds (including funds designated by the Board of Trustees to function as endowments) are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the state of Arizona 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 Foundation classifies as net assets with donor restrictions – restricted in perpetuity – endowment (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.

The remaining portion, if any, of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – restricted in perpetuity – endowment is classified as net assets with donor restrictions – restricted to the passage of time until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (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 Foundation and (7) the Foundation's investment policies.

Return Objectives and Risk Parameters

The Foundation has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets over time. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a diversified and balanced portfolio to help control risk and achieve long-term objectives.

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

15. Endowments, Continued

Investment Strategies

To satisfy its rate-of-return objective, the Foundation 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 Foundation places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

CFSA has a formally adopted spending policy, which reads as follows: CFSA's spending policy governs the rate at which annual distributions are made from each of its individual endowment funds. The rate is used to calculate the amount "available to grant" from each separate endowment fund. CFSA's spending policy was developed to be compatible with CFSA's investment policy and UPMIFA. The spending policy rate will be 4% of the June 30th nonspendable (corpus) balance plus a 20-quarter rolling average of the fund's spendable and accumulated earnings balance at the end of each quarter. If the fund is in existence for less than 20 quarters, the calculation will use the average of the existing historical quarters. The current year's spending amount, plus each prior year's unspent "available to grant" balance, becomes the "available to grant" amount for the new fiscal year. The formula shall be applied to the 20 quarters at the end of CFSA's fiscal year.

UPMIFA essentially states that subject to the intent of a donor expressed in a gift instrument, an institution may appropriate or accumulate endowment funds in a prudent manner. In deciding whether to appropriate funds (make grants according to the spending policy) or accumulate funds (retain earnings and gains greater than the spending policy rate) the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. CFSA acknowledges that UPMIFA governs its management of endowed funds and will let it serve as a guide for its distribution policy.

Spending Policies

CFSA will abide by the spending policy for "underwater funds" (on endowment funds where the balance of the fund is less than the total of the original contributions to the fund). Underwater funds will be monitored to assess whether the normal spending policy rate continues to be prudent when considering the seven factors previously mentioned.

CFSA had the following endowment-related activity during the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions		
	CFSA	CFSA	LEWIS	Total
Beginning of year	\$ 1,222,650	\$ 62,749,399	\$ 701,919	\$ 64,673,968
Investment return, net	30,482	453,434	-	483,916
Contributions	-	3,716,640	-	3,716,640
Releases	-	(1,665,098)	-	(1,665,098)
Appropriation of endowment net assets per spending policy	(50,215)	(1,040,791)	-	(1,091,006)
	<u>\$ 1,202,917</u>	<u>\$ 64,213,584</u>	<u>\$ 701,919</u>	<u>\$ 66,118,420</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

15. Endowments, Continued

CFSA had the following endowment-related activity during the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions		
	CFSA	CFSA	LEWIS	Total
Beginning of year	\$ 1,234,176	\$ 62,009,715	\$ 701,919	\$ 63,945,810
Investment return, net	38,775	832,566	-	871,341
Contributions	-	1,208,676	-	1,208,676
Releases	-	(60,138)	-	(60,138)
Appropriation of endowment net assets per spending policy	(50,301)	(1,241,420)	-	(1,291,721)
	<u>\$ 1,222,650</u>	<u>\$ 62,749,399</u>	<u>\$ 701,919</u>	<u>\$ 64,673,968</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with certain donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires the Foundation to retain as a fund of perpetual duration. CFSA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Net assets related to fund deficiencies as of June 30, 2019 have been increased by \$404,002 (see Note 18).

At June 30, 2020 and 2019, funds with deficiencies of \$7,092,246 and \$5,206,407, respectively, were reported in net assets with donor restrictions as follows:

	2020	2019
Fair value of underwater endowment funds	\$ 42,813,406	\$ 37,485,050
Original endowment gift amount	49,905,652	42,691,457
Underwater endowment funds	<u>\$ (7,092,246)</u>	<u>\$ (5,206,407)</u>

16. Retirement Plans

401(k) Plan

CFSA has a 401(k) employee benefit plan (Plan) that allows eligible employees to defer a portion of their salaries, not to exceed IRC limitations. CFSA may make discretionary contributions to the Plan. The employer contribution for the years ended June 30, 2020 and 2019 was \$72,339 and \$73,384, respectively.

457(f) Deferred Compensation Plan

CFSA has a 457(f) ineligible deferred compensation plan (457(f) Plan) that requires CFSA to contribute 15% of the current sole participant's base annual salary in each year in which the participant completes 1,000 hours of service. The assets are deposited into a designated reserve account that remains an asset of CFSA until the participant becomes vested. The organization reports assets and liabilities of equal amounts attributable to the amount deferred and the related investment earnings. CFSA's invested deferred compensation assets, in the amounts of \$74,461 and \$49,826 at June 30, 2020 and 2019, respectively, are included with investments.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

17. Rental Income

CFSACC is party to three agreements, as lessor, to lease office space to nonprofit organizations. The leases call for monthly payments, including common area maintenance charges, ranging from \$1,458 and \$1,636 and expire during March and August 2024 and December 2019, respectively. One lease includes an annual 2.5% escalation clause, and another includes an annual escalation clause of 3.0%. In addition to these long-term leases, CFSACC rents conference rooms and co-working spaces periodically as requested by outside entities. Total rental income for the years ended June 30, 2020 and 2019 was \$140,718 and \$22,675, respectively. Future expected minimum rental income under long-term lease agreements is:

Year ended

June 30,

2021	\$	36,534
2022		37,545
2023		38,584
2024		34,985
2025		3,572
	\$	<u>151,220</u>

18. Net Asset Reclassification and Restatement

During the year ended June 30, 2020, the Foundation determined that underwater endowments, reported as a component of net assets with donor restrictions were understated, and undesignated net assets, reported as a component of net assets without donor restrictions, were overstated by \$404,002 as of June 30, 2019 in connection with underwater endowment funds for LEWIS. As a result, net assets with donor restrictions has been decreased, and net asset without donor restrictions has been increased by \$404,002 as of June 30, 2019. There is no impact to the change in net assets as originally reported for the year ended June 30, 2019.

19. Subsequent Events

The Foundation was unaware of any subsequent events as of January 11, 2021, the date the consolidated financial statements were available to be issued.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2020

	Community Foundation for Southern Arizona, Inc.	CFSA Community Campus, LLC	CFSA Pooled Income Fund	CFSA Charitable Remainder Trust Fund	Total without Supporting Organizations	Supporting Organizations	Consolidating Entries	Total
<u>ASSETS</u>								
Current assets:								
Cash and cash equivalents	\$ 12,676,492	\$ 264,058	\$ 2,484	\$ 70,668	\$ 13,013,702	\$ 2,431,097	\$ -	\$ 15,444,799
Unconditional promises to give, current portion	17,184	80,234	-	-	97,418	15,000	-	112,418
Grants and other receivables	782,186	-	-	-	782,186	-	-	782,186
Contributions and bequests receivable, current portion	1,629,444	4,638	-	-	1,634,082	2,698,471	-	4,332,553
Investments - other, current portion	-	-	-	-	-	15,000	-	15,000
Notes receivable, current portion	334,312	-	-	-	334,312	46,107	-	380,419
Prepaid expenses and other current assets	27,645	-	-	-	27,645	5,645	-	33,290
Total current assets	15,467,263	348,930	2,484	70,668	15,889,345	5,211,320	-	21,100,665
Unconditional promises to give, net, non-current portion	699	21,395	-	-	22,094	-	-	22,094
Contributions and bequests receivable, non-current portion	1,385,047	-	-	-	1,385,047	-	-	1,385,047
Notes receivable, net, non-current portion	3,430,677	-	-	-	3,430,677	300,000	(2,300,000)	1,430,677
Investments - other, non-current portion	-	-	-	-	-	1,485,000	-	1,485,000
Investments	107,087,741	-	143,704	2,835,976	110,067,421	13,895,602	-	123,963,023
Property and equipment, net	25,544	5,892,570	-	-	5,918,114	-	-	5,918,114
Other assets	33,011	-	-	-	33,011	22,486	-	55,497
Total assets	\$ 127,429,982	\$ 6,262,895	\$ 146,188	\$ 2,906,644	\$ 136,745,709	\$ 20,914,408	\$ (2,300,000)	\$ 155,360,117
<u>LIABILITIES AND NET ASSETS</u>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 111,591	\$ 22,871	\$ 49	\$ 3,390	\$ 137,901	\$ 60,379	\$ -	\$ 198,280
Grants and distributions payable	995,594	-	-	-	995,594	556,794	-	1,552,388
Designated obligations	-	-	96,007	989,310	1,085,317	-	-	1,085,317
Due to other agencies	6,611,170	-	-	-	6,611,170	-	-	6,611,170
Deferred compensation liability	74,461	-	-	-	74,461	-	-	74,461
Total current liabilities	7,792,816	22,871	96,056	992,700	8,904,443	617,173	-	9,521,616
Note payable	-	2,300,000	-	-	2,300,000	-	(2,300,000)	-
Total liabilities	7,792,816	2,322,871	96,056	992,700	11,204,443	617,173	(2,300,000)	9,521,616
Net assets:								
Without donor restrictions:								
Undesignated	54,886,649	3,838,395	-	-	58,725,044	18,481,040	-	77,206,084
Designated by the Board for endowment	1,202,917	-	-	-	1,202,917	-	-	1,202,917
Designated by the Board - non-endowment	-	-	-	-	-	1,525,000	-	1,525,000
Total net assets without donor restrictions	56,089,566	3,838,395	-	-	59,927,961	20,006,040	-	79,934,001
With donor restrictions:								
Restricted for specified purpose	3,452,720	101,629	-	-	3,554,349	3,998	-	3,558,347
Restricted to the passage of time	2,558,820	-	50,132	1,913,944	4,522,896	-	-	4,522,896
Subject to appropriation and expenditure	1,244,538	-	-	-	1,244,538	-	-	1,244,538
Underwater endowments	(6,677,524)	-	-	-	(6,677,524)	(414,722)	-	(7,092,246)
Restricted in perpetuity - endowment	62,969,046	-	-	-	62,969,046	701,919	-	63,670,965
Total net assets with donor restrictions	63,547,600	101,629	50,132	1,913,944	65,613,305	291,195	-	65,904,500
Total net assets	119,637,166	3,940,024	50,132	1,913,944	125,541,266	20,297,235	-	145,838,501
Total liabilities and net assets	\$ 127,429,982	\$ 6,262,895	\$ 146,188	\$ 2,906,644	\$ 136,745,709	\$ 20,914,408	\$ (2,300,000)	\$ 155,360,117

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	Community Foundation for Southern Arizona, Inc.	CFSA Community Campus, LLC	CFSA Pooled Income Fund	CFSA Charitable Remainder Trust Fund	Total without Supporting Organizations	Supporting Organizations	Consolidating Entries	Total
Revenue and support:								
Support:								
Contributions and bequests	\$ 16,984,601	\$ 259,500	\$ -	\$ 28,100	\$ 17,272,201	\$ 3,414,193	\$ (1,027,550)	\$ 19,658,844
Grants and trusts	1,075,000	-	-	-	1,075,000	50,692	-	1,125,692
Special events, net	199,880	-	-	-	199,880	(19,472)	-	180,408
Total support	18,259,481	259,500	-	28,100	18,547,081	3,445,413	(1,027,550)	20,964,944
Revenue, investment and other income:								
Investment income (loss), net	2,789,262	(3,020)	7,849	(55,456)	2,738,635	451,680	(50,025)	3,140,290
Fund management fees	187,175	-	-	-	187,175	-	(107,587)	79,588
Rental income	-	228,388	-	-	228,388	1,190	(88,860)	140,718
Loss on disposal of property	-	-	-	-	-	(18,000)	-	(18,000)
Other revenue	830	2,141	-	-	2,971	47,181	-	50,152
Total revenue, investment and other income	2,977,267	227,509	7,849	(55,456)	3,157,169	482,051	(246,472)	3,392,748
Total revenue and support	21,236,748	487,009	7,849	(27,356)	21,704,250	3,927,464	(1,274,022)	24,357,692
Expenses:								
Program services	10,976,888	-	65	109,130	11,086,083	2,509,154	(1,086,177)	12,509,060
General and administrative	830,701	615,761	97	5,640	1,452,199	164,750	(125,233)	1,491,716
Fund-raising and development	674,532	-	80	4,652	679,264	68,886	(62,612)	685,538
Total expenses	12,482,121	615,761	242	119,422	13,217,546	2,742,790	(1,274,022)	14,686,314
Change in net assets	8,754,627	(128,752)	7,607	(146,778)	8,486,704	1,184,674	-	9,671,378
Net assets, beginning of year	110,882,539	4,068,776	42,525	2,060,722	117,054,562	19,112,561	-	136,167,123
Net assets, end of year	\$ 119,637,166	\$ 3,940,024	\$ 50,132	\$ 1,913,944	\$ 125,541,266	\$ 20,297,235	\$ -	\$ 145,838,501

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SUPPORTING ORGANIZATIONS

June 30, 2020

	William E. Hall Foundation	Worth & Dot Howard Foundation	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ -	\$ 2,209	\$ -	\$ 478,115	\$ 267,925
Unconditional promises to give, current portion	-	-	-	-	15,000
Contributions and bequests receivable	-	-	895,000	-	-
Investments - other, current portion	-	-	-	-	-
Notes receivable, current portion	-	-	46,107	-	-
Prepaid expenses and other current assets	-	3,178	-	299	2,168
Total current assets	-	5,387	941,107	478,414	285,093
Notes receivable, net, non-current portion	-	-	-	300,000	-
Investments - other, noncurrent portion	-	-	-	-	-
Investments	571,857	1,610,780	176,370	9,918,284	-
Property and equipment, net	-	-	-	-	-
Other assets	-	-	14,600	6,386	-
Total assets	<u>\$ 571,857</u>	<u>\$ 1,616,167</u>	<u>\$ 1,132,077</u>	<u>\$ 10,703,084</u>	<u>\$ 285,093</u>
<u>LIABILITIES AND NET ASSETS</u>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 1,925	\$ 7,041	\$ 14,426	\$ 8,142	\$ 16,125
Grants and distributions payable	-	81,000	-	475,794	-
Total current liabilities	1,925	88,041	14,426	483,936	16,125
Notes payable, non-current portion	-	-	-	-	-
Total liabilities	1,925	88,041	14,426	483,936	16,125
Net assets:					
Without donor restrictions:					
Undesignated	569,932	1,528,126	1,117,651	8,694,148	266,470
Designated by the Board for endowment	-	-	-	-	-
Designated by the Board - non-endowment	-	-	-	1,525,000	-
Total net assets without donor restrictions	569,932	1,528,126	1,117,651	10,219,148	266,470
With donor restrictions:					
Restricted for specified purpose	-	-	-	-	2,498
Restricted to the passage of time	-	-	-	-	-
Underwater endowments	-	-	-	-	-
Restricted in perpetuity - endowment	-	-	-	-	-
Total net assets with donor restrictions	-	-	-	-	2,498
Total net assets	569,932	1,528,126	1,117,651	10,219,148	268,968
Total liabilities and net assets	<u>\$ 571,857</u>	<u>\$ 1,616,167</u>	<u>\$ 1,132,077</u>	<u>\$ 10,703,084</u>	<u>\$ 285,093</u>

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SUPPORTING ORGANIZATIONS, Continued
June 30, 2020

	David S. and Norma R. Lewis Foundation	Howard V. Moore Foundation	Sycamore Canyon Conservation Foundation	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 1,637,528	\$ 45,320	\$ 2,431,097
Unconditional promises to give, current portion	-	-	-	15,000
Contributions and bequests receivable	1,803,471	-	-	2,698,471
Investments - other, current portion	15,000	-	-	15,000
Notes receivable, current	-	-	-	46,107
Prepaid expenses and other current assets	-	-	-	5,645
Total current assets	1,818,471	1,637,528	45,320	5,211,320
Notes receivable, net, non-current portion	-	-	-	300,000
Investments - other, noncurrent portion	1,485,000	-	-	1,485,000
Investments	1,618,311	-	-	13,895,602
Property and equipment, net	-	-	-	-
Other assets	-	-	1,500	22,486
Total assets	<u>\$ 4,921,782</u>	<u>\$ 1,637,528</u>	<u>\$ 46,820</u>	<u>\$ 20,914,408</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 10,795	\$ 1,925	\$ -	\$ 60,379
Grants and distributions payable	-	-	-	556,794
Total current liabilities	10,795	1,925	-	617,173
Notes payable, non-current portion	-	-	-	-
Total liabilities	10,795	1,925	-	617,173
Net assets:				
Without donor restrictions:				
Undesignated	4,623,790	1,635,603	45,320	18,481,040
Designated by the Board for endowment	-	-	-	-
Designated by the Board - non-endowment	-	-	-	1,525,000
Total net assets without donor restrictions	4,623,790	1,635,603	45,320	20,006,040
With donor restrictions:				
Restricted for specified purpose	-	-	1,500	3,998
Restricted to the passage of time	-	-	-	-
Underwater endowments	(414,722)	-	-	(414,722)
Restricted in perpetuity - endowment	701,919	-	-	701,919
Total net assets with donor restrictions	287,197	-	1,500	291,195
Total net assets	4,910,987	1,635,603	46,820	20,297,235
Total liabilities and net assets	<u>\$ 4,921,782</u>	<u>\$ 1,637,528</u>	<u>\$ 46,820</u>	<u>\$ 20,914,408</u>

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT ACTIVITIES – SUPPORTING ORGANIZATIONS
For the year ended June 30, 2020

	William E. Hall Foundation	Worth & Dot Howard Foundation	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
Revenue and support:					
Support:					
Contributions and bequests	\$ -	\$ 2,000	\$ 1,109,210	\$ 1,750,000	\$ 500,946
Grants and trusts	-	-	-	-	50,692
Special events, net	-	-	-	-	(19,472)
Total support	-	2,000	1,109,210	1,750,000	532,166
Revenue, investment and other income:					
Investment income (loss), net	18,076	17,889	602	292,876	3,037
Rental income	-	-	1,190	-	-
Loss on disposal of property	-	-	(18,000)	-	-
Other revenue	-	-	-	14,481	-
Total revenue, investment and other income	18,076	17,889	(16,208)	307,357	3,037
Total revenue and support	18,076	19,889	1,093,002	2,057,357	535,203
Expenses:					
Program services	32,119	130,349	636	1,130,253	433,216
General and administrative	3,139	33,763	943	68,404	28,381
Fund-raising and development	2,589	-	778	-	40,671
Total expenses	37,847	164,112	2,357	1,198,657	502,268
Change in net assets	(19,771)	(144,223)	1,090,645	858,700	32,935
Net assets, beginning of year	589,703	1,672,349	27,006	9,360,448	236,033
Net assets, end of year	\$ 569,932	\$ 1,528,126	\$ 1,117,651	\$ 10,219,148	\$ 268,968

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT ACTIVITIES – SUPPORTING ORGANIZATIONS, Continued
For the year ended June 30, 2020

	David S. and Norma R. Lewis Foundation	Howard V. Moore Foundation	Sycamore Canyon Conservation Foundation	Total
Revenue and support:				
Support:				
Contributions and bequests	\$ 52,037	\$ -	\$ -	\$ 3,414,193
Grants and trusts	-	-	-	50,692
Special events, net	-	-	-	(19,472)
Total support	52,037	-	-	3,445,413
Revenue, investment and other income:				
Investment income (loss), net	89,129	29,351	720	451,680
Rental income	-	-	-	1,190
Loss on disposal of property	-	-	-	(18,000)
Other revenue	-	-	32,700	47,181
Total revenue, investment and other income	89,129	29,351	33,420	482,051
Total revenue and support	141,166	29,351	33,420	3,927,464
Expenses:				
Program services	632,836	144,537	5,208	2,509,154
General and administrative	16,053	6,351	7,716	164,750
Fund-raising and development	13,243	5,239	6,366	68,886
Total expenses	662,132	156,127	19,290	2,742,790
Change in net assets	(520,966)	(126,776)	14,130	1,184,674
Net assets, beginning of year	5,431,953	1,762,379	32,690	19,112,561
Net assets, end of year	\$ 4,910,987	\$ 1,635,603	\$ 46,820	\$ 20,297,235

Supplementary Information
See independent auditor's report.

