

COMMUNITY FOUNDATION FOR  
SOUTHERN ARIZONA AND AFFILIATES

Audited Consolidated Financial Statements  
and Supplementary Information

For the years ended June 30, 2021 and 2020

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# COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

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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, 2021 and 2020, 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 \$2,009,651 and \$1,616,167 as of June 30, 2021 and 2020, respectively, and total revenue and support of \$549,544 and \$19,889, respectively, for the years then ended. We compiled those financial statements as of and for the year ended June 30, 2021 as discussed in the Opinion paragraph of this report. Those statements, as of and for the year ended June 30, 2020, 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 \$11,105,560 and \$10,703,084 as of June 30, 2021 and 2020, respectively, and total revenue and support of \$4,150,166 and \$2,057,357, 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.



## INDEPENDENT AUDITOR'S REPORT, Continued

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, 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, except for Worth and Dot Howard Foundation as of June 30, 2021, as of June 30, 2021 and 2020, 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. Management is responsible for the accompanying financial statements of Worth and Dot Howard Foundation, which comprise the statement of financial position as of June 30, 2021 and the statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review those financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

### 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 29 through 34 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, except for that of Worth and Dot Howard Foundation, 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.

The supplementary information of Worth and Dot Howard Foundation is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*LUDWIG KLEWER & KUONER PLLC*

January 10, 2022

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2021 and 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	\$ 13,802,089	\$ 12,356,717
Unconditional promises to give, current portion	40,597	112,418
Grants and other receivables	351,242	782,186
Contributions and bequests receivable, current portion	16,818,273	4,332,553
Investments - other, current portion	260,000	15,000
Notes receivable, current portion	137,999	380,419
Prepaid expenses and other current assets	44,244	33,290
Total current assets	31,454,444	18,012,583
Unconditional promises to give, net, non-current portion	32,465	22,094
Contributions and bequests receivable, non-current portion	2,264,568	1,385,047
Notes receivable, net, non-current portion	1,414,484	1,430,677
Investments - other, non-current portion	835,000	1,485,000
Investments	154,374,101	127,051,105
Property and equipment, net	5,868,436	5,918,114
Other assets	54,947	55,497
Total assets	\$ 196,298,445	\$ 155,360,117

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 307,925	\$ 198,280
Grants and distributions payable	1,296,809	1,552,388
Designated obligations	1,030,313	1,085,317
Due to other agencies	7,869,955	6,611,170
Deferred compensation liability, current portion	-	74,461
Total current liabilities	10,505,002	9,521,616
Total liabilities	10,505,002	9,521,616
Net assets:		
Without donor restrictions:		
Undesignated	90,252,087	77,206,084
Designated by the Board for endowment	1,395,779	1,202,917
Designated by the Board - non-endowment	795,940	1,525,000
Total net assets without donor restrictions	92,443,806	79,934,001
With donor restrictions:		
Restricted for specified purposes	3,496,723	3,558,347
Restricted to the passage of time	4,284,166	4,522,896
Subject to appropriation and expenditure	8,240,040	1,244,538
Underwater endowments	(2,748,853)	(7,092,246)
Restricted in perpetuity - endowment	80,077,561	63,670,965
Total net assets with donor restrictions	93,349,637	65,904,500
Total net assets	185,793,443	145,838,501
Total liabilities and net assets	\$ 196,298,445	\$ 155,360,117

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Support:			
Contributions and bequests	\$ 9,522,654	\$ 17,053,871	\$ 26,576,525
Grants and trusts	1,486,200	-	1,486,200
Special events, net	8,620	-	8,620
Total support	11,017,474	17,053,871	28,071,345
Revenue, investment and other income:			
Investment income, net	14,695,128	15,260,757	29,955,885
Fund management fees	102,478	-	102,478
Rental income	130,460	-	130,460
Other revenue	42,721	-	42,721
Total revenue, investment and other income	14,970,787	15,260,757	30,231,544
Net assets released from restrictions:			
Appropriated for expenditure	4,869,491	(4,869,491)	-
Total revenue and support	30,857,752	27,445,137	58,302,889
Expenses:			
Program services	16,048,157	-	16,048,157
General and administrative	1,496,007	-	1,496,007
Fund-raising and development	803,783	-	803,783
Total expenses	18,347,947	-	18,347,947
Change in net assets	12,509,805	27,445,137	39,954,942
Net assets, beginning of year	79,934,001	65,904,500	145,838,501
Net assets, end of year	\$ 92,443,806	\$ 93,349,637	\$ 185,793,443

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, reclassified	\$ 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 FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Program Services	General and Administrative	Fund-raising and Development	Total
Payroll	\$ 681,601	\$ 550,269	\$ 405,211	\$ 1,637,081
Taxes and employee benefits	143,556	117,445	87,686	348,687
Total payroll and employee benefits	825,157	667,714	492,897	1,985,768
Advertising and promotion	23,945	17,775	20,895	62,615
Consulting and professional services	192,378	179,653	92,254	464,285
Depreciation	550	245,798	-	246,348
Dues and subscriptions	26,166	15,068	12,455	53,689
Grants and scholarships	14,714,449	1,526	-	14,715,975
Information technology	138,785	150,726	116,945	406,456
Insurance	11,765	23,066	8,469	43,300
Occupancy	8,717	120,201	2,023	130,941
Office expenses	56,630	52,622	39,111	148,363
Postage and printing	8,881	9,728	7,523	26,132
Program supplies	23,251	-	-	23,251
Taxes, licenses and fees	7,255	8,220	6,232	21,707
Travel, conferences and meetings	10,228	3,910	4,979	19,117
	<u>\$ 16,048,157</u>	<u>\$ 1,496,007</u>	<u>\$ 803,783</u>	<u>\$ 18,347,947</u>

See independent auditor's report and accompanying notes.



COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year 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 CASH FLOWS

For the years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 39,954,942	\$ 9,671,378
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized gain on sale of investments, net	(5,980,654)	(298,172)
Unrealized (gain) loss on investments, net	(20,732,273)	191,663
Depreciation	246,348	233,360
Change in operating assets and liabilities:		
Unconditional promises to give	(18,010)	(154)
Grants and other receivables	430,944	(782,186)
Contributions and bequests receivable	(14,260,241)	1,453,671
Prepaid expenses and other current assets	(9,442)	13,851
Other assets	550	(23,434)
Accounts payable and accrued expenses	109,645	(28,244)
Grants and distributions payable	(255,579)	(6,176,733)
Designated obligations	(55,044)	(29,353)
Deferred compensation liability	(74,461)	24,635
Change in due to other agencies, including investment gains	1,258,785	(420,836)
Total adjustments	(39,339,432)	(5,841,932)
Net cash provided by operating activities	615,510	3,829,446
Cash flows from investing activities:		
Payments on notes receivable	218,653	50,000
Advances on notes receivable	-	(1,539,989)
Purchases of investments - other	-	(90,000)
Proceeds from sale of investments	41,600,305	41,593,335
Proceeds from redemption of investments - other	405,000	350,000
Purchases of investments	(41,276,886)	(45,223,349)
Purchases of property and equipment	(196,670)	(141,956)
Net cash provided by (used in) investing activities	750,402	(5,001,959)
Cash flows from financing activities:		
Repayments of note payable	-	(2,310,485)
Cash collected and restricted for long-term purposes	79,460	95,433
Net cash provided by (used in) financing activities	79,460	(2,215,052)
Net change in cash and cash equivalents	1,445,372	(3,387,565)
Cash and cash equivalents, beginning of year	12,356,717	15,744,282
Cash and cash equivalents, end of year	\$ 13,802,089	\$ 12,356,717
Supplemental cash flow information:		
Cash paid during the year for interest	\$ -	\$ 179,362
Schedule of non-cash investing and financing activities:		
Note receivable from bequest	\$ -	\$ 46,107
Investment property received from bequest	\$ -	\$ 167,650
Note and contribution receivable transferred to investments	\$ 935,000	-

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, 2021 and 2020

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

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.

See independent auditor's report.

## COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

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#### 1. Organization, Continued

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 \$795,940 and \$1,525,000 at June 30, 2021 and 2020, 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, 2021 and 2020

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 \$10,263,705 and \$9,019,571 in cash in excess of the FDIC limit at June 30, 2021 and 2020, respectively.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

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 \$138,388,004 and \$112,351,768 in investments in excess of the SIPC limit at June 30, 2021 and 2020, 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 December 2021 through February 2024, have annual fixed interest rates ranging from 2.70% to 3.15% 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.

Notes Receivable

Notes receivable are carried at unpaid principal balances, less an allowance for loan losses if applicable. As of June 30, 2021 and 2020, management believes all notes receivable are fully-collectible. Therefore, no allowance for loan losses has been recorded. Interest recognized ratable over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

2. Summary of Significant Accounting Policies, Continued

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.

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, 2021 and 2020, 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.

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# COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies, Continued

#### 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.

#### 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, 2021 and 2020.

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, 2021, 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.

#### Reclassifications

Certain items from the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

### 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, 2021 and 2020

4. Liquidity and Availability of Resources, Continued

	2021	2020
Cash and cash equivalents	\$ 13,802,089	\$ 12,356,717
Unconditional promises to give, current portion	40,597	112,418
Grants and other receivables	351,242	782,186
Contributions and bequests receivable, current portion	16,818,273	4,332,553
Investments - other, current portion	260,000	15,000
Notes receivable, current portion	137,999	380,419
Total financial assets available within one year	31,410,200	17,979,293
Less:		
Amounts unavailable for general expenditure within one year due to:		
Designated by the Board for endowment	1,395,779	1,202,917
Designated by the Board - non-endowment	795,940	1,525,000
Restricted to the passage of time	4,284,166	4,522,896
Total amounts unavailable for general expenditure within one year	6,475,885	7,250,813
Total financial assets available to management for general expenditure within one year	\$ 24,934,315	\$ 10,728,480

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% at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, unconditional promises to give consists of balances to be paid in future years as follows:

	2021	2020
2021	\$ -	\$ 112,418
2022	40,597	23,331
2023	14,610	222
2024	10,000	-
2025	10,000	-
Total unconditional promises to give	75,207	135,971
Less interest component	(2,145)	(1,459)
Unconditional promises to give, net	73,062	134,512
Less current portion	(40,597)	(112,418)
Non-current portion	\$ 32,465	\$ 22,094

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

6. Notes Receivable

Notes receivable consist of the following at June 30,:

	2021	2020
Note receivable from a nonprofit organization with interest only payments at an annual rate of 1% payable semi-annually (2% payable quarterly through October 31, 2021). Principal balance plus any unpaid interest is due November 30, 2022. The note is unsecured.	\$ 100,000	\$ 100,000
Note receivable from a nonprofit organization; 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.	47,646	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.	387,043	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	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

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

6. Notes Receivable, Continued

	2021	2020
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.	300,000	300,000
Note receivable from a nonprofit organization with interest only payments at an annual rate of .05% payable quarterly. Principal balance plus any unpaid interest is due May 8, 2023. The note is unsecured.	125,000	125,000
Total notes receivable	1,552,483	1,811,096
Current portion	(137,999)	(380,419)
Non-current portion	<u>\$ 1,414,484</u>	<u>\$ 1,430,677</u>
Future maturities at June 30, 2021 are:		
Year ended		
June 30,		
2022	\$ 137,999	
2023	330,389	
2024	93,502	
2025	397,799	
2026	109,321	
Thereafter	483,473	
Total notes receivable	<u>\$ 1,552,483</u>	

7. Property and Equipment

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

	2021	2020
Land and improvements	\$ 729,566	\$ 726,563
Building and improvements	5,266,931	5,119,152
Equipment and furniture	469,426	448,383
Computers and software	89,592	79,425
Total property and equipment	6,555,515	6,373,523
Less accumulated depreciation	(687,079)	(455,409)
Property and equipment, net	<u>\$ 5,868,436</u>	<u>\$ 5,918,114</u>

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

8. Investments

Investments consist of the following at June 30,:

	2021	2020
Mutual funds	\$ 128,374,047	\$ 106,951,605
Stocks	16,519,381	11,862,682
Fixed income	4,392,371	3,532,736
Interest in trust	2,209,924	1,784,117
Alternative investments	2,873,983	2,743,595
Investment in land	4,395	176,370
Total investments	<u>\$ 154,374,101</u>	<u>\$ 127,051,105</u>

Investment income for the year ended June 30, 2021 consists of:

	CFSA, CRTF and PIF	Supporting Organizations	Total
Unrealized gains	\$ 18,578,526	\$ 2,153,747	\$ 20,732,273
Interest and dividends	3,072,477	494,395	3,566,872
Realized gains	5,365,085	615,569	5,980,654
Royalties	-	60,756	60,756
Administrative charges	(350,041)	(34,629)	(384,670)
Investment income, net	<u>\$ 26,666,047</u>	<u>\$ 3,289,838</u>	<u>\$ 29,955,885</u>

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

	CFSA, CRTF and PIF	Supporting Organizations	Total
Unrealized losses	\$ (49,305)	\$ (142,358)	\$ (191,663)
Interest and dividends	2,752,834	536,704	3,289,538
Realized gains	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>

At June 30, 2021 and 2020, respectively, \$11,403,915 and \$11,529,064 of the total investments are invested and valued by various supporting organizations' own investment policies and guidelines. At June 30, 2021 and 2020, respectively, \$80,077,561 and \$63,670,965 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, 2021 and 2020

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, 2021 and 2020.

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

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

*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, 2021:

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

9. Fair Value Measurements, Continued

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 128,374,047	\$ -	\$ -	\$ 128,374,047
Stocks	16,519,381	-	-	16,519,381
Fixed income:				
Corporate bonds	1,425,223	-	-	1,425,223
Treasury bonds	503,290	-	-	503,290
Municipal bonds	234,405	-	-	234,405
Other fixed income	2,229,453	-	-	2,229,453
Total bonds	4,392,371	-	-	4,392,371
Other investments	-	2,209,924	2,878,378	5,088,302
Total investments	\$ 149,285,799	\$ 2,209,924	\$ 2,878,378	\$ 154,374,101

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

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 106,951,605	\$ -	\$ -	\$ 106,951,605
Stocks	11,862,682	-	-	11,862,682
Fixed income:				
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	\$ 122,347,023	\$ 1,784,117	\$ 2,919,965	\$ 127,051,105

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

	2021	2020
Balance, beginning of year	\$ 2,919,965	\$ 2,672,705
Realized gain (loss)	140,393	(14,374)
Unrealized loss, net	(471,669)	(675,310)
Change in fair value	(35,189)	(92,389)
Purchases and transfers	1,578,125	1,130,583
Proceeds	(1,253,247)	(101,250)
Balance, end of year	\$ 2,878,378	\$ 2,919,965

10. Designated Obligations

Designated obligations consist of the following at June 30,:

	2021	2020
Charitable gift annuities	\$ 946,189	\$ 989,310
Pooled income fund	84,124	96,007
Total designated obligations	\$ 1,030,313	\$ 1,085,317

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

11. Due to Other Agencies

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

	2021	2020
Yuma Library Foundation Endowment Fund	\$ 2,469,861	\$ 2,098,350
Hellene Henrikson Legacy Fund	1,015,761	924,686
Tohono O'Odham Community College Endowment	445,770	374,235
Tucson Waldorf School Endowment Fund	331,588	188,567
Amphi Foundation Fund	296,179	236,256
Green Valley Assistance Services Endowment	277,275	236,064
Handi-Dogs Endowment Fund	250,666	263,060
Marcia Grand Endowment Fund	247,379	-
Sarah P. Hausman Endowment Fund	224,082	190,532
YWCA of Southern Arizona Endowment Fund	173,573	142,897
Tucson Audubon Endowment Fund	163,757	139,374
Archaeology Southwest Fund	162,784	132,668
NAMI Southern Arizona Endowment Fund	156,125	130,064
Holmes Tuttle Memorial Fund	154,697	127,248
Youth On Their Own Endowment Fund	147,291	118,349
JobPath Fund	109,396	110,586
Holsclaw Family Endowment for Goodwill Industries of Tucson	105,308	-
Other funds	1,138,463	1,198,234
Total due to other agencies	\$ 7,869,955	\$ 6,611,170

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 was 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 \$104,938 and \$50,025 for the years ended June 30, 2021 and 2020, respectively, have been eliminated in the consolidated financial statements as of and for the years ended June 30, 2021 and 2020. On September 9, 2021, CFSACC repaid the entire \$2,300,000 to CFSA with proceeds from a note payable executed with Commerce Bank of Arizona. See Note 18.

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 accrues at the rate of 1% during the period from the loan date through the date the SBA determines the loan forgiveness amount. 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.

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

13. Paycheck Protection Program Conditional Grant, Continued

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.

SVP is accounting for the proceeds as a conditional grant under FASB ASC 958-605 *Not-for-Profit Entities – Revenue Recognition*. Under this guidance, the loan forgiveness is recognized as grant 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 during the year ended June 30, 2021.

On March 23, 2021, CFSA received a loan in the amount of \$261,135 from the Small Business Administration's Paycheck Protection Program ("Program"). Under the terms of the agreement, there are no payments due and interest accrues at the rate of 1% during the period from the loan date through the date the SBA determines the loan forgiveness amount. CFSA 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 March 23, 2026.

CFSA is accounting for the proceeds as a conditional grant under FASB ASC 958-605 *Not-for-Profit Entities – Revenue Recognition*. Under this guidance, the loan forgiveness is recognized as grant revenue as the conditions of forgiveness are substantially met. As of June 30, 2021, CFSA has expended 100% of the proceeds for eligible expenses during the period from the date the proceeds were disbursed through June 30, 2021. CFSA 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, 2021. As a result, CFSA has recognized grant revenue in the amount of \$261,135, which is included in grant and trust revenue for the year ended June 30, 2021.

14. Net Assets With Donor Restrictions

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

	2021	2020
Restricted for specified purpose	\$ 3,496,723	\$ 3,558,347
Restricted to the passage of time	4,284,166	4,522,896
Endowments:		
Subject to endowment spending policy and appropriation:		
Accumulated earnings on original perpetual endowment gifts	8,240,040	1,244,538
Underwater endowments	(2,748,853)	(7,092,246)
Not subject to appropriation and expenditure -		
Perpetual in nature - original endowment gifts	80,077,561	63,670,965
Net assets with donor restrictions	<u>\$ 93,349,637</u>	<u>\$ 65,904,500</u>

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COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

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, 2021:

	Contributions	Investment Income/(Loss)	Releases and Appropriations
Restricted for specified purpose	\$ 75,716	\$ -	\$ (137,340)
Restricted to the passage of time	571,559	102,398	(912,687)
Endowments:			
Subject to endowment spending policy and appropriation:			
Accumulated earnings on original perpetual endowment gifts	-	9,887,153	(2,891,651)
Underwater endowments	-	5,271,206	(927,813)
Not subject to appropriation and expenditure - Perpetual in nature - original endowment gifts	16,406,596	-	-
Net assets with donor restrictions	<u>\$ 17,053,871</u>	<u>\$ 15,260,757</u>	<u>\$ (4,869,491)</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>

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.

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## COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

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#### 15. Endowments, Continued

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.

#### 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 30<sup>th</sup> 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.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

15. Endowments, Continued

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, 2021:

	Without Donor Restrictions	With Donor Restrictions		
	CFSA	CFSA	LEWIS	Total
Beginning of year	\$ 1,202,917	\$ 64,213,584	\$ 701,919	\$ 66,118,420
Investment return, net	245,973	9,887,153	-	10,133,126
Contributions	1,113	16,406,596	-	16,407,709
Releases/transfers	-	701,919	(701,919)	-
Appropriation of endowment net assets per spending policy	(54,224)	(2,891,651)	-	(2,945,875)
	<u>\$ 1,395,779</u>	<u>\$ 88,317,601</u>	<u>\$ -</u>	<u>\$ 89,713,380</u>

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/transfers	-	(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>

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.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

15. Endowments, Continued

At June 30, 2021 and 2020, funds with deficiencies of \$2,748,853 and \$7,092,246, respectively, were reported in net assets with donor restrictions as follows:

	2021	2020
Fair value of underwater endowment funds	\$ 16,082,658	\$ 42,813,406
Original endowment gift amount	18,831,511	49,905,652
Underwater endowment funds	\$ (2,748,853)	\$ (7,092,246)

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, 2021 and 2020 was \$79,948 and \$73,384, respectively.

457(f) Deferred Compensation Plan

As of June 30, 2020, CFSA had a 457(f) ineligible deferred compensation plan (457(f) Plan) that required 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 were deposited into a designated reserve account that remained an asset of CFSA until the participant became 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 amount of \$74,461 at June 30, 2020, are included with investments. During the year ended June 30, 2021, the participant retired from CFSA and became fully vested. As a result, the plan assets were distributed to the participant and the balance is \$-0- at June 30, 2021.

17. Rental Income

CFSACC is party to several agreements, as lessor, to lease office space to nonprofit organizations. The leases call for monthly payments, including common area maintenance charges, ranging from \$1,409 to \$1,661 and expire during dates ranging between July 2021 and January 2025. 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, 2021 and 2020 was \$130,460 and \$140,718, respectively. Future expected minimum rental income under long-term lease agreements is:

Year ended

June 30,

2022	\$ 58,060
2023	59,224
2024	56,141
2025	16,090
	<u>\$ 189,515</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

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18. Subsequent Events

On September 9, 2021, CFSACC executed a note payable to Commerce Bank of Arizona in the amount of \$2,500,000. The note requires monthly payments of \$11,584, including interest at 2.75%, through September 8, 2046. The note is secured with a deed of trust on the campus building.

The Foundation was unaware of any additional subsequent events as of January 10, 2022, 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, 2021

	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
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 11,737,899	\$ 324,985	\$ 1,166	\$ 16,905	\$ 12,080,955	\$ 1,721,134	\$ -	\$ 13,802,089
Unconditional promises to give, current portion	22,265	18,332	-	-	40,597	-	-	40,597
Grants and other receivables	350,799	443	-	-	351,242	-	-	351,242
Contributions and bequests receivable, current portion	16,490,112	-	-	-	16,490,112	328,161	-	16,818,273
Investments - other, current portion	-	-	-	-	-	260,000	-	260,000
Notes receivable, current portion	137,999	-	-	-	137,999	-	-	137,999
Prepaid expenses and other current assets	35,075	3,498	-	-	38,573	5,671	-	44,244
Total current assets	28,774,149	347,258	1,166	16,905	29,139,478	2,314,966	-	31,454,444
Unconditional promises to give, net, non-current portion	32,465	-	-	-	32,465	-	-	32,465
Contributions and bequests receivable, non-current portion	2,264,568	-	-	-	2,264,568	-	-	2,264,568
Notes receivable, net, non-current portion	3,414,484	-	-	-	3,414,484	300,000	(2,300,000)	1,414,484
Investments - other, non-current portion	-	-	-	-	-	835,000	-	835,000
Investments	133,877,076	-	131,409	3,361,925	137,370,410	17,003,691	-	154,374,101
Property and equipment, net	29,206	5,839,230	-	-	5,868,436	-	-	5,868,436
Other assets	33,011	-	-	-	33,011	21,936	-	54,947
Total assets	\$ 168,424,959	\$ 6,186,488	\$ 132,575	\$ 3,378,830	\$ 178,122,852	\$ 20,475,593	\$ (2,300,000)	\$ 196,298,445
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 204,848	\$ 37,647	\$ 50	\$ 3,255	\$ 245,800	\$ 62,125	\$ -	\$ 307,925
Grants and distributions payable	395,856	-	-	-	395,856	900,953	-	1,296,809
Designated obligations	-	-	84,124	946,189	1,030,313	-	-	1,030,313
Due to other agencies	7,869,955	-	-	-	7,869,955	-	-	7,869,955
Total current liabilities	8,470,659	37,647	84,174	949,444	9,541,924	963,078	-	10,505,002
Note payable	-	2,300,000	-	-	2,300,000	-	(2,300,000)	-
Total liabilities	8,470,659	2,337,647	84,174	949,444	11,841,924	963,078	(2,300,000)	10,505,002
Net assets:								
Without donor restrictions:								
Undesignated	67,709,001	3,830,509	-	-	71,539,510	18,712,577	-	90,252,087
Designated by the Board for endowment	1,395,779	-	-	-	1,395,779	-	-	1,395,779
Designated by the Board - non-endowment	-	-	-	-	-	795,940	-	795,940
Total net assets without donor restrictions	69,104,780	3,830,509	-	-	72,935,289	19,508,517	-	92,443,806
With donor restrictions:								
Restricted for specified purpose	3,474,393	18,332	-	-	3,492,725	3,998	-	3,496,723
Restricted to the passage of time	1,806,379	-	48,401	2,429,386	4,284,166	-	-	4,284,166
Subject to appropriation and expenditure	8,240,040	-	-	-	8,240,040	-	-	8,240,040
Underwater endowments	(2,748,853)	-	-	-	(2,748,853)	-	-	(2,748,853)
Restricted in perpetuity - endowment	80,077,561	-	-	-	80,077,561	-	-	80,077,561
Total net assets with donor restrictions	90,849,520	18,332	48,401	2,429,386	93,345,639	3,998	-	93,349,637
Total net assets	159,954,300	3,848,841	48,401	2,429,386	166,280,928	19,512,515	-	185,793,443
Total liabilities and net assets	\$ 168,424,959	\$ 6,186,488	\$ 132,575	\$ 3,378,830	\$ 178,122,852	\$ 20,475,593	\$ (2,300,000)	\$ 196,298,445

Supplementary Information  
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES  
For the year ended June 30, 2021

	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	\$ 25,220,546	\$ 330,887	\$ -	\$ 501,080	\$ 26,052,513	\$ 3,563,097	\$ (3,039,085)	\$ 26,576,525
Grants and trusts	1,458,700	-	-	-	1,458,700	27,500	-	1,486,200
Special events, net	24,195	-	-	-	24,195	(15,575)	-	8,620
Total support	26,703,441	330,887	-	501,080	27,535,408	3,575,022	(3,039,085)	28,071,345
Revenue, investment and other income:								
Investment income (loss), net	26,671,324	(2,737)	10,551	91,847	26,770,985	3,289,838	(104,938)	29,955,885
Fund management fees	227,581	-	-	-	227,581	-	(125,103)	102,478
Rental income	-	219,181	-	-	219,181	-	(88,721)	130,460
Other revenue	-	2,731	-	-	2,731	39,990	-	42,721
Total revenue, investment and other income	26,898,905	219,175	10,551	91,847	27,220,478	3,329,828	(318,762)	30,231,544
Total revenue and support	53,602,346	550,062	10,551	592,927	54,755,886	6,904,850	(3,357,847)	58,302,889
Expenses:								
Program services	11,679,953	-	12,154	68,337	11,760,444	7,406,217	(3,118,506)	16,048,155
General and administrative	828,165	641,245	67	4,785	1,474,262	196,837	(175,092)	1,496,007
Fund-raising and development	777,094	-	61	4,363	781,518	86,516	(64,249)	803,785
Total expenses	13,285,212	641,245	12,282	77,485	14,016,224	7,689,570	(3,357,847)	18,347,947
Change in net assets	40,317,134	(91,183)	(1,731)	515,442	40,739,662	(784,720)	-	39,954,942
Net assets, beginning of year	119,637,166	3,940,024	50,132	1,913,944	125,541,266	20,297,235	-	145,838,501
Net assets, end of year	\$ 159,954,300	\$ 3,848,841	\$ 48,401	\$ 2,429,386	\$ 166,280,928	\$ 19,512,515	\$ -	\$ 185,793,443

Supplementary Information  
See independent auditor's report.



COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SUPPORTING ORGANIZATIONS  
June 30, 2021

<u>ASSETS</u>	William E. Hall Foundation	Worth & Dot Howard Foundation (compiled)	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
Current assets:					
Cash and cash equivalents	\$ -	\$ 122,304	\$ -	\$ 1,277,875	\$ 272,968
Unconditional promises to give, current portion	-	-	-	-	-
Contributions and bequests receivable	-	-	328,161	-	-
Investments - other, current portion	-	-	-	-	-
Notes receivable, current portion	-	-	-	-	-
Prepaid expenses and other current assets	-	1,512	-	3,769	390
Total current assets	-	123,816	328,161	1,281,644	273,358
Notes receivable, net, non-current portion	-	-	-	300,000	-
Investments - other, noncurrent portion	-	-	-	-	-
Investments	663,369	1,885,835	4,395	9,518,080	-
Property and equipment, net	-	-	-	-	-
Other assets	-	-	14,600	5,836	-
Total assets	<u>\$ 663,369</u>	<u>\$ 2,009,651</u>	<u>\$ 347,156</u>	<u>\$ 11,105,560</u>	<u>\$ 273,358</u>
<u>LIABILITIES AND NET ASSETS</u>					
Current liabilities:					
Accounts payable and accrued expenses	\$ -	\$ 8,108	\$ 16,745	\$ 10,759	\$ 16,028
Grants and distributions payable	-	99,000	-	601,453	-
Total current liabilities	-	107,108	16,745	612,212	16,028
Notes payable, non-current portion	-	-	-	-	-
Total liabilities	-	107,108	16,745	612,212	16,028
Net assets:					
Without donor restrictions:					
Undesignated	663,369	1,902,543	330,411	9,697,408	254,832
Designated by the Board for endowment	-	-	-	-	-
Designated by the Board - non-endowment	-	-	-	795,940	-
Total net assets without donor restrictions	663,369	1,902,543	330,411	10,493,348	254,832
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	663,369	1,902,543	330,411	10,493,348	257,330
Total liabilities and net assets	<u>\$ 663,369</u>	<u>\$ 2,009,651</u>	<u>\$ 347,156</u>	<u>\$ 11,105,560</u>	<u>\$ 273,358</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, 2021

	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	\$ -	\$ -	\$ 47,987	\$ 1,721,134
Unconditional promises to give, current portion	-	-	-	-
Contributions and bequests receivable	-	-	-	328,161
Investments - other, current portion	260,000	-	-	260,000
Notes receivable, current	-	-	-	-
Prepaid expenses and other current assets	-	-	-	5,671
Total current assets	260,000	-	47,987	2,314,966
Notes receivable, net, non-current portion	-	-	-	300,000
Investments - other, noncurrent portion	835,000	-	-	835,000
Investments	2,857,273	2,074,739	-	17,003,691
Property and equipment, net	-	-	-	-
Other assets	-	-	1,500	21,936
Total assets	<u>\$ 3,952,273</u>	<u>\$ 2,074,739</u>	<u>\$ 49,487</u>	<u>\$ 20,475,593</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable and accrued expenses	10,475	\$ 10	\$ -	\$ 62,125
Grants and distributions payable	120,000	80,500	-	900,953
Total current liabilities	130,475	80,510	-	963,078
Notes payable, non-current portion	-	-	-	-
Total liabilities	130,475	80,510	-	963,078
Net assets:				
Without donor restrictions:				
Undesignated	3,821,798	1,994,229	47,987	18,712,577
Designated by the Board for endowment	-	-	-	-
Designated by the Board - non-endowment	-	-	-	795,940
Total net assets without donor restrictions	3,821,798	1,994,229	47,987	19,508,517
With donor restrictions:				
Restricted for specified purpose	-	-	1,500	3,998
Restricted to the passage of time	-	-	-	-
Underwater endowments	-	-	-	-
Restricted in perpetuity - endowment	-	-	-	-
Total net assets with donor restrictions	-	-	1,500	3,998
Total net assets	3,821,798	1,994,229	49,487	19,512,515
Total liabilities and net assets	<u>\$ 3,952,273</u>	<u>\$ 2,074,739</u>	<u>\$ 49,487</u>	<u>\$ 20,475,593</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, 2021

	William E. Hall Foundation	Worth & Dot Howard Foundation (compiled)	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
Revenue and support:					
Support:					
Contributions and bequests	\$ -	\$ 1,000	\$ 328,161	\$ 2,100,000	\$ 696,173
Grants and trusts	-	-	-	-	27,500
Special events, net	-	-	-	-	(15,575)
Total support	-	1,000	328,161	2,100,000	708,098
Revenue, investment and other income:					
Investment income (loss), net	135,396	548,544	140,692	2,042,141	(2,268)
Other revenue	-	-	1,630	8,025	-
Total revenue, investment and other income	135,396	548,544	142,322	2,050,166	(2,268)
Total revenue and support	135,396	549,544	470,483	4,150,166	705,830
Expenses:					
Program services	36,461	142,456	1,244,366	3,818,521	611,532
General and administrative	2,876	32,671	6,987	57,445	60,046
Fund-raising and development	2,622	-	6,370	-	45,890
Total expenses	41,959	175,127	1,257,723	3,875,966	717,468
Change in net assets	93,437	374,417	(787,240)	274,200	(11,638)
Net assets, beginning of year	569,932	1,528,126	1,117,651	10,219,148	268,968
Net assets, end of year	\$ 663,369	\$ 1,902,543	\$ 330,411	\$ 10,493,348	\$ 257,330

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, 2021

	David S. and Norma R. Lewis Foundation	Howard V. Moore Foundation	Sycamore Canyon Conservation Foundation	Total
Revenue and support:				
Support:				
Contributions and bequests	\$ -	\$ 437,763	\$ -	\$ 3,563,097
Grants and trusts	-	-	-	27,500
Special events, net	-	-	-	(15,575)
Total support	-	437,763	-	3,575,022
Revenue, investment and other income:				
Investment income (loss), net	334,032	91,220	81	3,289,838
Other revenue	-	-	30,335	39,990
Total revenue, investment and other income	334,032	91,220	30,416	3,329,828
Total revenue and support	334,032	528,983	30,416	6,904,850
Expenses:				
Program services	1,384,150	159,019	9,712	7,406,217
General and administrative	21,165	6,212	9,435	196,837
Fund-raising and development	17,906	5,126	8,602	86,516
Total expenses	1,423,221	170,357	27,749	7,689,570
Change in net assets	(1,089,189)	358,626	2,667	(784,720)
Net assets, beginning of year	4,910,987	1,635,603	46,820	20,297,235
Net assets, end of year	\$ 3,821,798	\$ 1,994,229	\$ 49,487	\$ 19,512,515

Supplementary Information  
See independent auditor's report.