

COMMUNITY FOUNDATION FOR  
SOUTHERN ARIZONA AND AFFILIATES

Audited Consolidated Financial Statements  
and Supplementary Information

For the years ended June 30, 2022 and 2021

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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

### Opinion

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, 2022 and 2021, 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.

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated 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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, except for the Worth and Dot Howard Foundation, 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 statements of financial position as of June 30, 2022 and 2021 and the statements of activities, functional expenses and cash flows for the years 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 on the statements of activities, functional expenses and cash flows for the year ended June 30, 2022 and on the financial statements as of and for the year ended June 30, 2021, 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

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community Foundation for Southern Arizona and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Management's Responsibility for the Consolidated 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



## INDEPENDENT AUDITOR'S REPORT, Continued

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We did not audit the statement of financial position of Worth & Dot Howard Foundation as of June 30, 2021, a supporting organization of Community Foundation for Southern Arizona, which statement reflects total assets of \$2,009,651. We did not audit the statements of activities, functional expenses and cash flows for the years ended June 30, 2022 and 2021, which statements reflect total revenue and support of (\$114,318) and \$549,544, respectively, for the years then ended. We compiled the statement of financial position as of June 30, 2021 and the statements of activities, functional expenses and cash flows for the years ended June 30, 2022 and 2021 as discussed in the Opinion paragraph of this report. 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 \$8,856,697 and \$11,105,560 as of June 30, 2022 and 2021, respectively, and total revenue and support of \$1,399,338 and \$4,150,166, 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.

## INDEPENDENT AUDITOR'S REPORT, Continued

### 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 the statement of activities 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 statement of activities 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.

*LUOWIG KLEINER & PUNOWER PLLC*

December 15, 2022

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 16,436,707	\$ 13,802,089
Unconditional promises to give, current portion	8,945	40,597
Grants and other receivables	6,203	351,242
Contributions and bequests receivable, current portion	6,879,814	16,818,273
Investments - other, current portion	260,000	260,000
Notes receivable, current portion	314,427	137,999
Prepaid expenses and other current assets	98,643	44,244
Total current assets	24,004,739	31,454,444
Unconditional promises to give, net, non-current portion	1,135	32,465
Contributions and bequests receivable, non-current portion	441,231	2,264,568
Notes receivable, net, non-current portion	1,084,095	1,414,484
Investments - other, non-current portion	190,000	835,000
Investments	156,538,551	152,402,131
Beneficial interests in trusts	413,361	1,971,970
Property and equipment, net	5,865,748	5,868,436
Other assets	31,553	54,947
Total assets	<u>\$ 188,570,413</u>	<u>\$ 196,298,445</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 262,503	\$ 307,925
Grants and distributions payable	1,840,050	1,296,809
Deferred revenue	350,242	-
Designated obligations	844,109	1,030,313
Due to other agencies	7,318,833	7,869,955
Note payable, current portion	71,674	-
Total current liabilities	10,687,411	10,505,002
Note payable, non-current portion	2,375,528	-
Total liabilities	13,062,939	10,505,002
Net assets:		
Without donor restrictions:		
Undesignated	86,968,055	90,252,087
Designated by the Board for endowment	1,182,836	1,395,779
Designated by the Board - non-endowment	360,000	795,940
Total net assets without donor restrictions	88,510,891	92,443,806
With donor restrictions:		
Restricted for specified purposes	3,942,277	3,496,723
Restricted to the passage of time	6,516,471	4,284,166
Subject to appropriation and expenditure	1,416,540	8,240,040
Underwater endowments	(11,785,011)	(2,748,853)
Restricted in perpetuity - endowment	86,906,306	80,077,561
Total net assets with donor restrictions	86,996,583	93,349,637
Total net assets	175,507,474	185,793,443
Total liabilities and net assets	<u>\$ 188,570,413</u>	<u>\$ 196,298,445</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Support:			
Contributions and bequests	\$ 23,541,347	\$ 10,949,224	\$ 34,490,571
Grants and trusts	402,527	60,000	462,527
Special events, net	16,439	-	16,439
Total support	23,960,313	11,009,224	34,969,537
Revenue, investment and other income:			
Investment loss, net	(12,875,028)	(10,449,817)	(23,324,845)
Change in beneficial interest in trusts	-	(42,424)	(42,424)
Fund management fees	102,693	-	102,693
Rental income	171,551	-	171,551
Other revenue	54,639	-	54,639
Total revenue, investment and other income	(12,546,145)	(10,492,241)	(23,038,386)
Net assets released from restrictions:			
Appropriated for expenditure	6,870,037	(6,870,037)	-
Total revenue and support	18,284,205	(6,353,054)	11,931,151
Expenses:			
Program services	19,675,404	-	19,675,404
General and administrative	1,652,294	-	1,652,294
Fund-raising and development	889,422	-	889,422
Total expenses	22,217,120	-	22,217,120
Change in net assets	(3,932,915)	(6,353,054)	(10,285,969)
Net assets, beginning of year	92,443,806	93,349,637	185,793,443
Net assets, end of year	\$ 88,510,891	\$ 86,996,583	\$ 175,507,474

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	\$ 16,727,431	\$ 26,250,085
Grants and trusts	1,486,200	-	1,486,200
Special events, net	8,620	-	8,620
Total support	11,017,474	16,727,431	27,744,905
Revenue, investment and other income:			
Investment income, net	14,695,128	15,260,757	29,955,885
Change in beneficial interest in trusts	-	326,440	326,440
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	15,587,197	30,557,984
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 FUNCTIONAL EXPENSES

For the year ended June 30, 2022

	Program Services	General and Administrative	Fund-raising and Development	Total
Payroll	\$ 804,533	\$ 584,455	\$ 488,758	\$ 1,877,746
Taxes and employee benefits	158,848	123,193	100,221	382,262
Total payroll and employee benefits	963,381	707,648	588,979	2,260,008
Advertising and promotion	44,510	21,348	34,204	100,062
Consulting and professional services	342,362	204,849	70,147	617,358
Depreciation	550	277,618	-	278,168
Dues and subscriptions	14,844	13,383	10,526	38,753
Grants and scholarships	18,016,744	-	-	18,016,744
Information technology	124,401	143,279	108,957	376,637
Insurance	10,774	22,583	7,681	41,038
Interest expense	-	55,568	-	55,568
Occupancy	19,712	129,073	3,088	151,873
Office expenses	43,129	50,045	34,815	127,989
Postage and printing	10,195	9,277	8,663	28,135
Program supplies	43,770	-	-	43,770
Taxes, licenses and fees	3,896	4,750	3,286	11,932
Travel, conferences and meetings	37,136	12,873	19,076	69,085
	<u>\$ 19,675,404</u>	<u>\$ 1,652,294</u>	<u>\$ 889,422</u>	<u>\$ 22,217,120</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, 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 STATEMENTS OF CASH FLOWS

For the years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (10,285,969)	\$ 39,954,942
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized loss (gain) on sale of investments, net	1,127,207	(5,980,654)
Unrealized loss (gain) on investments, net	26,682,135	(20,732,273)
Reinvested dividends	(2,195,587)	(1,645,684)
Donated securities	(9,961,751)	-
Change in beneficial interest in trusts	42,424	(326,440)
Depreciation	277,618	246,348
Change in operating assets and liabilities:		
Unconditional promises to give	44,650	(18,010)
Grants and other receivables	345,039	430,944
Contributions and bequests receivable	4,651,105	(14,260,241)
Prepaid expenses and other current assets	(54,399)	(9,442)
Other assets	23,394	550
Accounts payable and accrued expenses	(45,422)	109,645
Grants and distributions payable	543,241	(255,579)
Deferred revenue	350,242	-
Designated obligations	(186,204)	(55,044)
Deferred compensation liability	-	(74,461)
Change in due to other agencies, including investment gains	(551,122)	1,258,785
Total adjustments	21,092,570	(41,311,556)
Net cash provided by (used in) operating activities	10,806,601	(1,356,614)
Cash flows from investing activities:		
Payments on notes receivable	153,961	218,653
Proceeds from redemption of investments - other	645,000	405,000
Proceeds from sale of investments	53,495,758	43,245,989
Distribution from beneficial interest in trusts	1,516,184	-
Purchases of investments	(66,173,491)	(40,950,446)
Purchases of property and equipment	(274,929)	(196,670)
Net cash (used in) provided by investing activities	(10,637,517)	2,722,526
Cash flows from financing activities:		
Proceeds from note payable	2,500,000	-
Repayments of note payable	(52,798)	-
Cash collected and restricted for long-term purposes	18,332	79,460
Net cash provided by financing activities	2,465,534	79,460
Net change in cash and cash equivalents	2,634,618	1,445,372
Cash and cash equivalents, beginning of year	13,802,089	12,356,717
Cash and cash equivalents, end of year	\$ 16,436,707	\$ 13,802,089
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 55,568	\$ -
Schedule of non-cash investing and financing activities:		
Note and contribution receivable transferred to investments	\$ 7,110,691	935,000
Donated securities	\$ 9,961,751	\$ -
Reinvested dividends	\$ 2,195,587	\$ 1,645,684

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, 2022 and 2021

#### 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 certain charities or CFSA as dictated by the corresponding agreement.

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 real property gifted to CFSA.

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, 2022 and 2021

#### 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 \$360,000 and \$795,940 at June 30, 2022 and 2021, 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, 2022 and 2021

#### 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 \$12,331,633 and \$10,263,705 in cash in excess of the FDIC limit at June 30, 2022 and 2021, respectively.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

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 \$145,812,423 and \$138,388,004 in investments in excess of the SIPC limit at June 30, 2022 and 2021, 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 May 2023 through February 2024, have annual fixed interest rates ranging from 2.90% 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, 2022 and 2021, 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, 2022 and 2021

### 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

#### Beneficial Interest in Trusts

CRTF is a remainder beneficiary in certain trusts. Upon the death of the income beneficiaries, the assets of the trusts will be distributed and funds opened at CFSA or as directed by the trust agreement. The beneficial interest in these trusts is recorded at the estimated net present value of the beneficial interest and is reported as beneficial interest in trusts on the consolidated statement of financial position. Changes in the estimated fair value are recorded on the consolidated statement of activities.

#### 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, 2022 and 2021, SYCAM held one conservation easement. SYCAM has opted to expense purchased conservation easements and donated easements are not recorded.

#### Deferred Revenue

Deferred revenue in the amount of \$350,242 at June 30, 2022 is related to a conditional grant awarded to SVP during the year ended June 30, 2022. The total amount of the grant is \$1,000,000 with a requirement to raise an additional \$2,000,000 over the period from November 1, 2021 through October 31, 2026. During the year ended June 30, 2022, SVP received a \$500,000 pre-payment from a donor in connection with this conditional grant. As of June 30, 2022, SVP had raised \$299,516 in qualifying contributions. As a result, SVP recognized contribution revenue in the amount of \$149,758 for the year ended June 30, 2022, and has recorded the balance of \$350,242 as deferred revenue at June 30, 2022. Additional revenue will be recognized, in accordance with the grant agreement, as additional matching funds are raised by SVP.

#### Designated Obligations

CFSA's trustees manage assets contributed to the PIF and the CRTF under which, in some cases, 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.

See independent auditor's report.



COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

2. Summary of Significant Accounting Policies, Continued

Grants and Distributions Payable

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

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 and supporting organizations participating in the CFSA investment pools. Interest income is allocated quarterly to the PIF and CGAF. 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.

CFSA applies the provisions of FASB ASC 2018-08, *Not-for-Profit Entities – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, in determining when contributions received and contributions made should be classified as contributions or as exchange transactions, or whether conditionality is present.

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, 2022 and 2021.

CFSA'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, 2022, 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 2021 audited consolidated financial statements have been reclassified to confirm to the 2022 presentation.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

3. 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:

	2022	2021
Cash and cash equivalents	\$ 16,436,707	\$ 13,802,089
Unconditional promises to give, current portion	8,945	40,597
Grants and other receivables	6,203	351,242
Contributions and bequests receivable, current portion	6,879,814	16,818,273
Investments - other, current portion	260,000	260,000
Notes receivable, current portion	314,427	137,999
Total financial assets available within one year	23,906,096	31,410,200
Less:		
Amounts unavailable for general expenditure within one year due to:		
Designated by the Board for endowment	1,182,836	1,395,779
Designated by the Board - non-endowment	360,000	795,940
Restricted to the passage of time	6,516,471	4,284,166
Total amounts unavailable for general expenditure within one year	8,059,307	6,475,885
Total financial assets available to management for general expenditure within one year	\$ 15,846,789	\$ 24,934,315

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.

4. Unconditional Promises to Give

Unconditional promises to give due after one year are discounted at 3.25% at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, unconditional promises to give consists of balances to be paid in future years as follows:

	2022	2021
2022	\$ -	\$ 40,597
2023	8,945	14,610
2024	1,245	10,000
2025	-	10,000
2026	-	-
Total unconditional promises to give	10,190	75,207
Less interest component	(110)	(2,145)
Unconditional promises to give, net	10,080	73,062
Less current portion	(8,945)	(40,597)
Non-current portion	\$ 1,135	\$ 32,465

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

5. Notes Receivable

Notes receivable consist of the following at June 30,:

	2022	2021
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
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.	280,728	387,043
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 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. 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	1,398,522	1,552,483
Current portion	(314,427)	(137,999)
Non-current portion	\$ 1,084,095	\$ 1,414,484

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

5. Notes Receivable, Continued

Future maturities at June 30, 2022 are:

Year ended  
June 30,

2023	\$	314,427
2024		93,502
2025		397,799
2026		109,321
2027		113,760
Thereafter		369,713
Total notes receivable	\$	<u>1,398,522</u>

6. Property and Equipment

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

	2022	2021
Land and improvements	\$ 729,566	\$ 729,566
Building and improvements	5,271,931	5,266,931
Equipment and furniture	709,561	469,426
Computers and software	97,926	89,592
Total property and equipment	6,808,984	6,555,515
Less accumulated depreciation	(943,236)	(687,079)
Property and equipment, net	<u>\$ 5,865,748</u>	<u>\$ 5,868,436</u>

7. Investments

Investments consist of the following at June 30,:

	2022	2021
Mutual funds	\$ 134,671,993	\$ 128,374,047
Stocks	13,182,118	16,519,381
Fixed income	6,056,669	4,392,371
Other investments	2,623,376	3,111,937
Investment in land	4,395	4,395
Total investments	<u>\$ 156,538,551</u>	<u>\$ 152,402,131</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

7. Investments, Continued

Investment income for the year ended June 30, 2022 consists of:

	CFSA, CRTF and PIF	Supporting Organizations	Total
Unrealized losses	\$ (24,512,494)	\$ (2,169,641)	\$ (26,682,135)
Interest and dividends	4,135,577	672,465	4,808,042
Realized losses	(921,884)	(205,323)	(1,127,207)
Royalties	-	120,579	120,579
Administrative charges	(389,503)	(54,621)	(444,124)
Investment loss, net	<u>\$ (21,688,304)</u>	<u>\$ (1,636,541)</u>	<u>\$ (23,324,845)</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>

At June 30, 2022 and 2021, respectively, \$8,232,350 and \$11,403,915 of the total investments are invested and valued by various supporting organizations' own investment policies and guidelines. At June 30, 2022 and 2021, respectively, \$86,906,306 and \$80,077,561 of the investments held by CFSA were endowment net assets not subject to appropriation and expenditure and, as such, were unavailable for operations.

8. 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.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

8. Fair Value Measurements, Continued

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, 2022 and 2021.

*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.

*Beneficial interests in trusts:* valued at the present value of the underlying investments as reported by third parties.

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, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 134,671,993	\$ -	\$ -	\$ 134,671,993
Stocks	13,182,118	-	-	13,182,118
Fixed income:				
Corporate bonds	1,265,943	-	-	1,265,943
Treasury bonds	1,621,659	-	-	1,621,659
Municipal bonds	1,437,028	-	-	1,437,028
Other fixed income	1,732,039	-	-	1,732,039
Total bonds	6,056,669	-	-	6,056,669
Other investments	-	650,726	1,977,045	2,627,771
Total investments	\$ 153,910,780	\$ 650,726	\$ 1,977,045	\$ 156,538,551
Beneficial interests in trusts	\$ -	\$ -	\$ 413,361	\$ 413,361

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

8. Fair Value Measurements, Continued

The table below sets forth by level, investments at fair value as of June 30, 2021:

	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	906,408	3,116,332
Total investments	\$ 149,285,799	\$ 2,209,924	\$ 906,408	\$ 152,402,131
Beneficial interests in trusts	\$ -	\$ -	\$ 1,971,970	\$ 1,971,970

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

	Other Investments	
	2022	2021
Balance, beginning of year	\$ 906,408	\$ 1,374,435
Realized gain	-	140,393
Unrealized gain (loss), net	87,079	(798,109)
Change in fair value	6,789	(35,189)
Purchases and transfers	1,786,436	1,478,125
Proceeds	(809,667)	(1,253,247)
Balance, end of year	\$ 1,977,045	\$ 906,408

  

	Beneficial Interests in Trusts	
	2022	2021
Balance, beginning of year	\$ 1,971,970	\$ 1,545,530
Contributions	-	100,000
Distributions	(1,516,185)	-
Change in value	(42,424)	326,440
Balance, end of year	\$ 413,361	\$ 1,971,970

9. Designated Obligations

Designated obligations consist of the following at June 30,:

	2022	2021
Charitable gift annuities	\$ 763,410	\$ 946,189
Pooled income fund	80,699	84,124
Total designated obligations	\$ 844,109	\$ 1,030,313

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

10. Due to Other Agencies

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

	2022	2021
Yuma Library Foundation Endowment Fund	\$ 2,078,445	\$ 2,469,861
Hellene Henrikson Legacy Fund	648,536	1,015,761
Tohono O'odham Community College Endowment	399,649	445,770
Tucson Waldorf School Endowment Fund	333,639	331,588
Amphi Foundation Fund	226,965	296,179
Green Valley Assistance Services Endowment	232,784	277,275
Handi-Dogs Endowment Fund	247,710	250,666
Marcia Grand Endowment Fund	207,093	247,379
Sarah P. Hausman Endowment Fund	188,305	224,082
YWCA of Southern Arizona Endowment Fund	152,953	173,573
Tucson Audubon Endowment Fund	137,584	163,757
Archaeology Southwest Fund	125,836	162,784
NAMI Southern Arizona Endowment Fund	130,972	156,125
Holmes Tuttle Memorial Fund	130,738	154,697
Youth On Their Own Endowment Fund	128,164	147,291
JobPath Fund	108,117	109,396
Downtown Tucson Fund	617,471	-
Other funds	1,223,872	1,243,771
Total due to other agencies	<u>\$ 7,318,833</u>	<u>\$ 7,869,955</u>

11. Note Payable

During the year ended June 30, 2020, CFSA and CFSACC entered into a note agreement to provide funds for CFSACC to repay a note to Western Alliance Bank in its entirety. Under the terms of the agreement, CFSA advanced \$2,300,000 to CFSACC. The note required CFSACC to make quarterly interest-only payments at 4.5% to CFSA which were deposited to the endowed pool investment account and allocated as earnings to participating funds. This inter-organization note, and the related interest in the amount of \$19,838 and \$104,938 for the years ended June 30, 2022 and 2021, respectively, have been eliminated in the consolidated financial statements as of and for the years ended June 30, 2022 and 2021. On September 8, 2021, CFSACC repaid the balance due to CFSA of \$2,319,838 with proceeds from a \$2,500,000 note payable as follows:

	2022	2021
Note payable to Commerce Bank of Arizona with monthly payments of \$11,584, including an initial interest rate of 2.75% for 120 months. Subsequently, the interest rate will be subject to change periodically as defined in the loan agreement and will be based on the adjusted weekly average yield on US Treasury securities plus a margin of 1.50%, with a floor of 2.75% and a ceiling of 4.50% per annum. The loan matures during September 2046 and is secured by a deed of trust on real property.		
	\$ 2,447,202	\$ -
Current portion	(71,674)	-
Non-current portion	<u>\$ 2,375,528</u>	<u>\$ -</u>

See independent auditor's report.



COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

11. Note Payable, Continued

The future maturities due under the note payable at June 30, 2022 are:

Year ended June 30,	
2023	\$ 71,674
2024	73,517
2025	75,773
2026	77,915
2027	80,115
Thereafter	<u>2,068,208</u>
Total notes receivable	<u>\$ 2,447,202</u>

12. Paycheck Protection Program Conditional Grant

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 recognized grant revenue in the amount of \$261,135, which is included in grant and trust revenue for the year ended June 30, 2021. The entire amount was forgiven by the Small Business Administration during the year ended June 30, 2022.

13. Net Assets With Donor Restrictions

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

	2022	2021
Restricted for specified purpose	\$ 3,942,277	\$ 3,496,723
Restricted to the passage of time	6,516,471	4,284,166
Endowments:		
Subject to endowment spending policy and appropriation:		
Accumulated earnings on original perpetual endowment gifts	1,416,540	8,240,040
Underwater endowments	(11,785,011)	(2,748,853)
Not subject to appropriation and expenditure -		
Perpetual in nature - original endowment gifts	<u>86,906,306</u>	<u>80,077,561</u>
Net assets with donor restrictions	<u>\$ 86,996,583</u>	<u>\$ 93,349,637</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

13. Net Assets With Donor Restrictions, Continued

Activity in net assets with donor restrictions is comprised of the following for the year ended June 30, 2022:

	Contributions	Investment Income/(Loss)	Releases and Appropriations
Restricted for specified purpose	\$ 662,960	\$ -	\$ (217,406)
Restricted to the passage of time	3,098,516	(191,284)	(674,927)
Endowments:			
Subject to endowment spending policy and appropriation:			
Accumulated earnings on original perpetual endowment gifts	-	(1,486,757)	(5,336,743)
Underwater endowments	-	(8,814,200)	(221,958)
Not subject to appropriation and expenditure - Perpetual in nature - original endowment gifts	7,247,748	-	(419,003)
Net assets with donor restrictions	<u>\$ 11,009,224</u>	<u>\$ (10,492,241)</u>	<u>\$ (6,870,037)</u>

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	245,119	428,838	(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>\$ 16,727,431</u>	<u>\$ 15,587,197</u>	<u>\$ (4,869,491)</u>

14. 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.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

14. Endowment Funds, 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, 2022 and 2021

14. 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, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,395,779	\$ 88,317,601	\$ 89,713,380
Investment return, net	(159,670)	(1,486,757)	(1,646,427)
Contributions	48,262	7,247,748	7,296,010
Appropriation of endowment net assets per spending policy	(101,535)	(5,755,746)	(5,857,281)
	<u>\$ 1,182,836</u>	<u>\$ 88,322,846</u>	<u>\$ 89,505,682</u>

CFSA had the following endowment-related activity during the year ended June 30, 2021:

	Without Donor Restrictions CFSA	With Donor Restrictions 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>

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.

At June 30, 2022 and 2021, funds with deficiencies of \$11,785,011 and \$2,748,853, respectively, were reported in net assets with donor restrictions as follows:

	2022	2021
Fair value of underwater endowment funds	\$ 65,441,654	\$ 16,082,658
Original endowment gift amount	77,226,665	18,831,511
Underwater endowment funds	<u>\$ (11,785,011)</u>	<u>\$ (2,748,853)</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021

15. 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, 2022 and 2021 was \$86,013 and \$79,948, 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.

16. 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 \$1,445 to \$1,702 and expire during dates ranging between December 2022 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, 2022 and 2021 was \$171,551 and \$130,460, respectively. Future expected minimum rental income under long-term lease agreements is:

Year ended

June 30,

2023	\$	88,151
2024		56,141
2025		16,090
	\$	<u>160,382</u>

17. Subsequent Events

The Foundation was unaware of any subsequent events as of December 15, 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, 2022

	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	\$ 13,207,475	\$ 446,275	\$ 3,234	\$ 7,852	\$ 13,664,836	\$ 2,771,871	\$ -	\$ 16,436,707
Unconditional promises to give, current portion	8,945	-	-	-	8,945	-	-	8,945
Grants and other receivables	6,023	180	-	-	6,203	-	-	6,203
Contributions and bequests receivable, current portion	6,805,816	-	-	-	6,805,816	73,998	-	6,879,814
Investments - other, current portion	-	-	-	-	-	260,000	-	260,000
Notes receivable, current portion	314,427	-	-	-	314,427	-	-	314,427
Prepaid expenses and other current assets	49,346	43,507	-	-	92,853	5,790	-	98,643
Total current assets	20,392,032	489,962	3,234	7,852	20,893,080	3,111,659	-	24,004,739
Unconditional promises to give, net, non-current portion	1,135	-	-	-	1,135	-	-	1,135
Contributions and bequests receivable, non-current portion	441,231	-	-	-	441,231	-	-	441,231
Notes receivable, net, non-current portion	784,095	-	-	-	784,095	300,000	-	1,084,095
Investments - other, non-current portion	-	-	-	-	-	190,000	-	190,000
Investments	143,125,021	-	112,840	1,029,176	144,267,037	12,271,514	-	156,538,551
Beneficial interests in trusts	-	-	-	413,361	413,361	-	-	413,361
Property and equipment, net	44,810	5,820,938	-	-	5,865,748	-	-	5,865,748
Other assets	10,167	-	-	-	10,167	21,386	-	31,553
Total assets	\$ 164,798,491	\$ 6,310,900	\$ 116,074	\$ 1,450,389	\$ 172,675,854	\$ 15,894,559	\$ -	\$ 188,570,413
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 178,196	\$ 32,020	\$ 61	\$ 2,355	\$ 212,632	\$ 49,871	\$ -	\$ 262,503
Grants and distributions payable	269,267	-	-	202,571	471,838	1,368,212	-	1,840,050
Deferred revenue	-	-	-	-	-	350,242	-	350,242
Designated obligations	-	-	80,699	763,410	844,109	-	-	844,109
Due to other agencies	7,318,833	-	-	-	7,318,833	-	-	7,318,833
Note payable, current portion	-	71,674	-	-	71,674	-	-	71,674
Total current liabilities	7,766,296	103,694	80,760	968,336	8,919,086	1,768,325	-	10,687,411
Note payable, non-current portion	-	2,375,528	-	-	2,375,528	-	-	2,375,528
Total liabilities	7,766,296	2,479,222	80,760	968,336	11,294,614	1,768,325	-	13,062,939
Net assets:								
Without donor restrictions:								
Undesignated	69,434,141	3,831,678	-	-	73,265,819	13,702,236	-	86,968,055
Designated by the Board for endowment	1,182,836	-	-	-	1,182,836	-	-	1,182,836
Designated by the Board - non-endowment	-	-	-	-	-	360,000	-	360,000
Total net assets without donor restrictions	70,616,977	3,831,678	-	-	74,448,655	14,062,236	-	88,510,891
With donor restrictions:								
Restricted for specified purpose	3,938,279	-	-	-	3,938,279	3,998	-	3,942,277
Restricted to the passage of time	5,939,104	-	35,314	482,053	6,456,471	60,000	-	6,516,471
Subject to appropriation and expenditure	1,416,540	-	-	-	1,416,540	-	-	1,416,540
Underwater endowments	(11,785,011)	-	-	-	(11,785,011)	-	-	(11,785,011)
Restricted in perpetuity - endowment	86,906,306	-	-	-	86,906,306	-	-	86,906,306
Total net assets with donor restrictions	86,415,218	-	35,314	482,053	86,932,585	63,998	-	86,996,583
Total net assets	157,032,195	3,831,678	35,314	482,053	161,381,240	14,126,234	-	175,507,474
Total liabilities and net assets	\$ 164,798,491	\$ 6,310,900	\$ 116,074	\$ 1,450,389	\$ 172,675,854	\$ 15,894,559	\$ -	\$ 188,570,413

Supplementary Information  
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES  
For the year ended June 30, 2022

	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	\$ 33,809,965	\$ 385,047	\$ -	\$ 24,917	\$ 34,219,929	\$ 2,988,701	\$ (2,718,059)	\$ 34,490,571
Grants and trusts	20,497	-	-	-	20,497	442,030	-	462,527
Special events, net	30,768	-	-	-	30,768	(14,329)	-	16,439
Total support	33,861,230	385,047	-	24,917	34,271,194	3,416,402	(2,718,059)	34,969,537
Revenue, investment and other income:								
Investment income (loss), net	(21,514,428)	(5,178)	(12,880)	(135,980)	(21,668,466)	(1,636,541)	(19,838)	(23,324,845)
Change in value of beneficial interests in trusts	-	-	-	(42,424)	(42,424)	-	-	(42,424)
Fund management fees	209,210	-	-	-	209,210	-	(106,517)	102,693
Rental income	-	264,779	-	-	264,779	-	(93,228)	171,551
Other revenue	-	2,180	-	-	2,180	52,459	-	54,639
Total revenue, investment and other income	(21,305,218)	261,781	(12,880)	(178,404)	(21,234,721)	(1,584,082)	(219,583)	(23,038,386)
Total revenue and support	12,556,012	646,828	(12,880)	(153,487)	13,036,473	1,832,320	(2,937,642)	11,931,151
Expenses:								
Program services	13,751,587	-	-	1,779,717	15,531,304	6,862,157	(2,718,057)	19,675,404
General and administrative	916,490	663,991	207	14,129	1,594,817	277,062	(219,585)	1,652,294
Fund-raising and development	810,040	-	-	-	810,040	79,382	-	889,422
Total expenses	15,478,117	663,991	207	1,793,846	17,936,161	7,218,601	(2,937,642)	22,217,120
Change in net assets	(2,922,105)	(17,163)	(13,087)	(1,947,333)	(4,899,688)	(5,386,281)	-	(10,285,969)
Net assets, beginning of year	159,954,300	3,848,841	48,401	2,429,386	166,280,928	19,512,515	-	185,793,443
Net assets, end of year	\$ 157,032,195	\$ 3,831,678	\$ 35,314	\$ 482,053	\$ 161,381,240	\$ 14,126,234	\$ -	\$ 175,507,474

Supplementary Information  
See independent auditor's report.



COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SUPPORTING ORGANIZATIONS  
June 30, 2022

<u>ASSETS</u>	William E. Hall Foundation	Worth & Dot Howard Foundation	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
Current assets:					
Cash and cash equivalents	\$ -	\$ 12,826	\$ -	\$ 2,035,929	\$ 683,973
Unconditional promises to give, current portion	-	-	-	-	-
Contributions and bequests receivable	-	-	-	-	60,000
Investments - other, current portion	-	-	-	-	-
Notes receivable, current portion	-	-	-	-	-
Prepaid expenses and other current assets	-	1,512	-	3,815	463
Total current assets	-	14,338	-	2,039,744	744,436
Notes receivable, net, non-current portion	-	-	-	300,000	-
Investments - other, noncurrent portion	-	-	-	-	-
Investments	544,600	1,720,683	4,395	6,511,667	-
Property and equipment, net	-	-	-	-	-
Other assets	-	-	14,600	5,286	-
Total assets	<u>\$ 544,600</u>	<u>\$ 1,735,021</u>	<u>\$ 18,995</u>	<u>\$ 8,856,697</u>	<u>\$ 744,436</u>
<u>LIABILITIES AND NET ASSETS</u>					
Current liabilities:					
Accounts payable and accrued expenses	\$ -	\$ 5,022	\$ 3,293	\$ 11,916	\$ 28,610
Grants and distributions payable	-	92,500	-	1,115,712	-
Deferred revenue	-	-	-	-	350,242
Total current liabilities	-	97,522	3,293	1,127,628	378,852
Total liabilities	-	97,522	3,293	1,127,628	378,852
Net assets:					
Without donor restrictions:					
Undesignated	544,600	1,637,499	15,702	7,369,069	303,086
Designated by the Board - non-endowment	-	-	-	360,000	-
Total net assets without donor restrictions	544,600	1,637,499	15,702	7,729,069	303,086
With donor restrictions:					
Restricted for specified purpose	-	-	-	-	2,498
Restricted to the passage of time	-	-	-	-	60,000
Total net assets with donor restrictions	-	-	-	-	62,498
Total net assets	544,600	1,637,499	15,702	7,729,069	365,584
Total liabilities and net assets	<u>\$ 544,600</u>	<u>\$ 1,735,021</u>	<u>\$ 18,995</u>	<u>\$ 8,856,697</u>	<u>\$ 744,436</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, 2022

	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	\$ -	\$ -	\$ 39,143	\$ 2,771,871
Unconditional promises to give, current portion	-	-	-	-
Contributions and bequests receivable	-	-	13,998	73,998
Investments - other, current portion	260,000	-	-	260,000
Notes receivable, current	-	-	-	-
Prepaid expenses and other current assets	-	-	-	5,790
Total current assets	260,000	-	53,141	3,111,659
Notes receivable, net, non-current portion	-	-	-	300,000
Investments - other, noncurrent portion	190,000	-	-	190,000
Investments	2,074,477	1,415,692	-	12,271,514
Property and equipment, net	-	-	-	-
Other assets	-	-	1,500	21,386
Total assets	<u>\$ 2,524,477</u>	<u>\$ 1,415,692</u>	<u>\$ 54,641</u>	<u>\$ 15,894,559</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable and accrued expenses	-	\$ -	\$ 1,030	\$ 49,871
Grants and distributions payable	160,000	-	-	1,368,212
Deferred revenue	-	-	-	350,242
Total current liabilities	160,000	-	1,030	1,768,325
Total liabilities	160,000	-	1,030	1,768,325
Net assets:				
Without donor restrictions:				
Undesignated	2,364,477	1,415,692	52,111	13,702,236
Designated by the Board - non-endowment	-	-	-	360,000
Total net assets without donor restrictions	2,364,477	1,415,692	52,111	14,062,236
With donor restrictions:				
Restricted for specified purpose	-	-	1,500	3,998
Restricted to the passage of time	-	-	-	60,000
Total net assets with donor restrictions	-	-	1,500	63,998
Total net assets	2,364,477	1,415,692	53,611	14,126,234
Total liabilities and net assets	<u>\$ 2,524,477</u>	<u>\$ 1,415,692</u>	<u>\$ 54,641</u>	<u>\$ 15,894,559</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, 2022

	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	\$ -	\$ 2,400,000	\$ 587,701
Grants and trusts	-	-	-	-	442,030
Special events, net	-	-	-	-	(14,329)
Total support	-	1,000	-	2,400,000	1,015,402
Revenue, investment and other income:					
Investment income (loss), net	(76,585)	(115,318)	(3,773)	(1,009,383)	(4,023)
Other revenue	-	-	15,742	8,721	-
Total revenue, investment and other income	(76,585)	(115,318)	11,969	(1,000,662)	(4,023)
Total revenue and support	(76,585)	(114,318)	11,969	1,399,338	1,011,379
Expenses:					
Program services	34,284	123,645	318,848	4,058,809	766,274
General and administrative	7,183	27,081	3,975	104,808	66,417
Fund-raising and development	717	-	3,855	-	70,434
Total expenses	42,184	150,726	326,678	4,163,617	903,125
Change in net assets	(118,769)	(265,044)	(314,709)	(2,764,279)	108,254
Net assets, beginning of year	663,369	1,902,543	330,411	10,493,348	257,330
Net assets, end of year	\$ 544,600	\$ 1,637,499	\$ 15,702	\$ 7,729,069	\$ 365,584

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, 2022

	David S. and Norma R. Lewis Foundation	Howard V. Moore Foundation	Sycamore Canyon Conservation Foundation	Total
Revenue and support:				
Support:				
Contributions and bequests	\$ -	\$ -	\$ -	\$ 2,988,701
Grants and trusts	-	-	-	442,030
Special events, net	-	-	-	(14,329)
Total support	-	-	-	3,416,402
Revenue, investment and other income:				
Investment income (loss), net	(84,175)	(343,317)	33	(1,636,541)
Other revenue	-	-	27,996	52,459
Total revenue, investment and other income	(84,175)	(343,317)	28,029	(1,584,082)
Total revenue and support	(84,175)	(343,317)	28,029	1,832,320
Expenses:				
Program services	1,336,792	220,284	3,221	6,862,157
General and administrative	35,493	14,219	17,886	277,062
Fund-raising and development	861	717	2,798	79,382
Total expenses	1,373,146	235,220	23,905	7,218,601
Change in net assets	(1,457,321)	(578,537)	4,124	(5,386,281)
Net assets, beginning of year	3,821,798	1,994,229	49,487	19,512,515
Net assets, end of year	\$ 2,364,477	\$ 1,415,692	\$ 53,611	\$ 14,126,234

Supplementary Information  
See independent auditor's report.