

COMMUNITY FOUNDATION FOR
SOUTHERN ARIZONA AND AFFILIATES

Audited Consolidated Financial Statements
and Supplementary Information

For the years ended June 30, 2023 and 2022

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 3
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5 - 6
Consolidated Statements of Functional Expenses	7 - 8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10 - 27
Supplementary Information:	
Consolidating Statement of Financial Position – June 30, 2023	29
Consolidating Statement of Activities – June 30, 2023	30
Consolidating Statement of Financial Position – Supporting Organizations – June 30, 2023	31 - 32
Consolidating Statement of Activities – Supporting Organizations – June 30, 2023	33 - 34

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, 2023 and 2022, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 as of June 30, 2023 and 2022, 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.

We performed a compilation engagement on the statements of activities, functional expenses and cash flows for the year ended June 30, 2022 for the Worth and Dot Howard Foundation, 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 for the year ended June 30, 2022.

Basis for Qualified Opinion

As more fully described in Note 2 to the consolidated financial statements, the Worth and Dot Howard Foundation, a supporting organization of Community Foundation for Southern Arizona, is not included in the consolidated financial statements as of and for the year ended June 30, 2023. Accounting principles generally accepted in the United States of America require that supporting organizations be included in the consolidated financial statements of the supported organization. The effects of this departure have not been determined.

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 qualified 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 statements of activities, functional expenses and cash flows of the Worth and Dot Howard Foundation for the year ended June 30, 2022, which statement reflects total revenue and support of (\$114,318) for the year then ended. We compiled the statements of activities, functional expenses and cash flows for the year ended June 30, 2022 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 \$722,850 and \$8,856,697 as of June 30, 2023 and 2022, respectively, and total revenue and support of \$394,358 and \$1,399,338, 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.

Людмила Клементовна Рудомова Р.С.

January 8, 2024

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

ASSETS

	2023	2022
Current assets:		
Cash and cash equivalents	\$ 17,110,915	\$ 16,436,707
Unconditional promises to give, current portion	7,694	8,945
Grants and other receivables	2,585	6,203
Contributions and bequests receivable, current portion	6,078,606	6,879,814
Investments - other, current portion	-	260,000
Notes receivable, current portion	318,502	314,427
Prepaid expenses and other current assets	97,982	98,643
Total current assets	23,616,284	24,004,739
Unconditional promises to give, net, non-current portion	598	1,135
Contributions and bequests receivable, non-current portion	86,769	441,231
Notes receivable, net, non-current portion	990,593	1,084,095
Investments - other, non-current portion	-	190,000
Investments	160,497,750	156,538,551
Beneficial interests in trusts	421,058	413,361
Property and equipment, net	5,550,276	5,865,748
Other assets	31,729	31,553
Total assets	\$ 191,195,057	\$ 188,570,413

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 276,775	\$ 262,503
Grants and distributions payable	907,665	1,840,050
Deferred revenue	-	350,242
Designated obligations	778,952	844,109
Due to other agencies	9,425,785	7,318,833
Note payable, current portion	73,517	71,674
Total current liabilities	11,462,694	10,687,411
Note payable, non-current portion	2,302,006	2,375,528
Total liabilities	13,764,700	13,062,939
Net assets:		
Without donor restrictions:		
Undesignated	83,244,246	86,968,055
Designated by the Board for endowment	1,245,179	1,182,836
Designated by the Board - non-endowment	-	360,000
Total net assets without donor restrictions	84,489,425	88,510,891
With donor restrictions:		
Restricted for specified purposes	3,714,620	3,942,277
Restricted to the passage of time	2,580,110	6,516,471
Subject to appropriation and expenditure	1,738,255	1,416,540
Underwater endowments	(8,884,973)	(11,785,011)
Restricted in perpetuity - endowment	93,792,920	86,906,306
Total net assets with donor restrictions	92,940,932	86,996,583
Total net assets	177,430,357	175,507,474
Total liabilities and net assets	\$ 191,195,057	\$ 188,570,413

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Support:			
Contributions and bequests	\$ 2,263,749	\$ 11,497,790	\$ 13,761,539
Grants and trusts	18,223	-	18,223
Special events, net	(71,644)	-	(71,644)
Total support	2,210,328	11,497,790	13,708,118
Revenue, investment and other income:			
Investment income, net	5,880,620	8,185,489	14,066,109
Loss on sale of property	(83,748)	-	(83,748)
Change in beneficial interest in trusts	-	7,697	7,697
Fund management fees	108,528	-	108,528
Rental income	221,125	-	221,125
Other revenue	42,824	-	42,824
Total revenue, investment and other income	6,169,349	8,193,186	14,362,535
Net assets released from restrictions:			
Appropriated for expenditure	13,746,627	(13,746,627)	-
Total revenue and support	22,126,304	5,944,349	28,070,653
Expenses:			
Program services	20,870,472	-	20,870,472
General and administrative	2,153,009	-	2,153,009
Fund-raising and development	1,486,790	-	1,486,790
Total expenses	24,510,271	-	24,510,271
Change in net assets	(2,383,967)	5,944,349	3,560,382
Deconsolidation of supporting organization	(1,637,499)	-	(1,637,499)
Net assets, beginning of year	88,510,891	86,996,583	175,507,474
Net assets, end of year	\$ 84,489,425	\$ 92,940,932	\$ 177,430,357

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 FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program Services	General and Administrative	Fund-raising and Development	Total
Payroll	\$ 939,122	\$ 892,235	\$ 588,508	\$ 2,419,865
Taxes and employee benefits	188,822	182,655	118,541	490,018
Total payroll and employee benefits	1,127,944	1,074,890	707,049	2,909,883
Advertising and promotion	38,501	22,555	33,691	94,747
Bequest receivable write-off	-	-	441,231	441,231
Consulting and professional services	172,104	173,835	114,537	460,476
Depreciation	183	333,947	-	334,130
Dues and subscriptions	25,458	22,204	15,089	62,751
Grants and scholarships	19,056,483	-	-	19,056,483
Information technology	157,108	206,199	110,415	473,722
Insurance	10,482	24,325	6,974	41,781
Interest expense	-	67,204	-	67,204
Occupancy	16,971	132,791	-	149,762
Office expenses	33,064	44,309	16,256	93,629
Postage and printing	11,321	14,478	10,607	36,406
Program supplies	174,438	-	-	174,438
Taxes, licenses and fees	3,054	3,664	2,652	9,370
Travel, conferences and meetings	43,361	32,608	28,289	104,258
	<u>\$ 20,870,472</u>	<u>\$ 2,153,009</u>	<u>\$ 1,486,790</u>	<u>\$ 24,510,271</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, 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 STATEMENTS OF CASH FLOWS

For the years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 3,560,382	\$ (10,285,969)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized (gain) loss on sale of investments, net	(596,073)	1,127,207
Unrealized (gain) loss on investments, net	(9,474,035)	26,682,135
Reinvested dividends	(2,612,979)	(2,195,587)
Donated securities	(1,962,632)	(9,961,751)
Donated property	(411,000)	-
Change in beneficial interest in trusts	(7,697)	42,424
Depreciation	334,130	278,168
Loss on sale of property	83,748	-
Change in operating assets and liabilities:		
Unconditional promises to give	1,788	44,650
Grants and other receivables	3,618	345,039
Contributions and bequests receivable	1,155,670	4,651,105
Prepaid expenses and other current assets	(851)	(54,399)
Other assets	(176)	23,394
Accounts payable and accrued expenses	19,294	(45,422)
Grants and distributions payable	(839,885)	543,241
Deferred revenue	(350,242)	350,242
Designated obligations	(65,157)	(186,204)
Change in due to other agencies, including investment gains	2,106,952	(551,122)
Total adjustments	(12,615,527)	21,093,120
Net cash (used in) provided by operating activities	(9,055,145)	10,807,151
Cash flows from investing activities:		
Payments on notes receivable	89,427	153,961
Proceeds from redemption of investments - other	450,000	645,000
Proceeds from sale of property	327,252	-
Proceeds from sale of investments	26,172,649	53,495,758
Distribution from beneficial interest in trusts	-	1,516,184
Purchases of investments	(17,206,812)	(66,173,491)
Purchases of property and equipment	(18,658)	(275,479)
Net cash provided by (used in) investing activities	9,813,858	(10,638,067)
Cash flows from financing activities:		
Proceeds from note payable	-	2,500,000
Repayments of note payable	(71,679)	(52,798)
Cash collected and restricted for long-term purposes	-	18,332
Net cash (used in) provided by financing activities	(71,679)	2,465,534
Net change in cash and cash equivalents	687,034	2,634,618
Deconsolidation of supporting organization	(12,826)	-
Cash and cash equivalents, beginning of year	16,436,707	13,802,089
Cash and cash equivalents, end of year	\$ 17,110,915	\$ 16,436,707

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, 2023 and 2022

1. Organization

Founded in 1980, the Community Foundation for Southern Arizona (CFSA) has supported Southern Arizona with grants and scholarships, stewarding the philanthropic legacy of our community's generous donors and increasing the breadth and depth of resources available to nonprofit organizations in our region. The impact we make is a collective one, with funds held by individuals, families, and businesses with unique interests, ideas, and passions. Our work touches every aspect of daily life, including animal welfare, arts and culture, community development, education, environment, health and human services, and more.

In addition to the support provided to Southern Arizona nonprofits through donor-advised grants, designated grants, and competitive grantmaking, CFSA also partners with nonprofits through its Center for Healthy Nonprofits and offers beautiful and affordable office, meeting, and event space at its centrally located Community Foundation Campus.

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, 2023 and 2022

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.

Departure from Accounting Principles Generally Accepted in the United States of America

The consolidated financial statements for the Worth and Dot Howard Foundation (WDHF) as of and for the year ended June 30, 2023 are not included in these consolidated financial statements because CFSA management was unable to obtain financial information from WDHF. Accounting principles generally accepted in the United States of America require supporting organization financial statements to be included with the consolidated financial statements of the supported organization. The effects of this departure have not been determined.

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 \$-0- and \$360,000 at June 30, 2023 and 2022, 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, 2023 and 2022

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 \$15,113,718 and \$12,331,633 in cash in excess of the FDIC limit at June 30, 2023 and 2022, respectively.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

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 \$156,743,987 and \$145,812,423 in investments in excess of the SIPC limit at June 30, 2023 and 2022, 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. As of June 30, 2022, 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. There are no investments-other as of June 30, 2023.

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, 2023 and 2022, management believes all notes receivable are fully-collectible. Therefore, no allowance for loan losses has been recorded. Interest recognized ratably 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, 2023 and 2022

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, 2023 and 2022, 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 recorded the balance of \$350,242 as deferred revenue at June 30, 2022. SVP raised additional matching funds in the amount of \$700,484 during the year ended June 30, 2023, and as a result released the deferred revenue of \$350,242.

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, 2023 and 2022

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 charitable gift annuities held in the CRTF. 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, 2023 and 2022.

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, 2023, 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.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

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:

	2023	2022
Cash and cash equivalents	\$ 17,110,915	\$ 16,436,707
Unconditional promises to give, current portion	7,694	8,945
Grants and other receivables	2,585	6,203
Contributions and bequests receivable, current portion	6,078,606	6,879,814
Investments - other, current portion	-	260,000
Notes receivable, current portion	318,502	314,427
Total financial assets available within one year	23,518,302	23,906,096
Less:		
Amounts unavailable for general expenditure within one year due to:		
Designated by the Board for endowment	1,245,179	1,182,836
Designated by the Board - non-endowment	-	360,000
Restricted to the passage of time	2,129,685	5,999,104
Total amounts unavailable for general expenditure within one year	3,374,864	7,541,940
Total financial assets available to management for general expenditure within one year	\$ 20,143,438	\$ 16,364,156

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 8.25% and 3.25% at June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, unconditional promises to give consists of balances to be paid in future years as follows:

	2023	2022
2023	\$ -	\$ 8,945
2024	7,694	1,245
2025	700	-
2026	-	-
2027	-	-
Total unconditional promises to give	8,394	10,190
Less interest component	(102)	(110)
Unconditional promises to give, net	8,292	10,080
Less current portion	(7,694)	(8,945)
Non-current portion	\$ 598	\$ 1,135

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

5. Notes Receivable

Notes receivable consist of the following at June 30,:

	<u>2023</u>	<u>2022</u>
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 January 1, 2024. The note is unsecured.	\$ 100,000	\$ 100,000
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.	191,301	280,728
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	1,309,095	1,398,522
Current portion	(318,502)	(314,427)
Non-current portion	<u>\$ 990,593</u>	<u>\$ 1,084,095</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

5. Notes Receivable, Continued

Year ended June 30,	
2024	\$ 318,502
2025	397,799
2026	109,321
2027	113,760
2028	118,344
Thereafter	251,369
Total notes receivable	<u>\$ 1,309,095</u>

6. Property and Equipment

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

	2023	2022
Land and improvements	\$ 729,566	\$ 729,566
Building and improvements	5,256,989	5,271,931
Equipment and furniture	740,429	709,561
Computers and software	100,476	97,926
Total property and equipment	6,827,460	6,808,984
Less accumulated depreciation	(1,277,184)	(943,236)
Property and equipment, net	<u>\$ 5,550,276</u>	<u>\$ 5,865,748</u>

7. Investments

Investments consist of the following at June 30,:

	2023	2022
Mutual funds	\$ 139,525,657	\$ 134,671,993
Stocks	15,178,708	13,182,118
Fixed income	3,317,136	6,056,669
Other investments	2,471,854	2,623,376
Investment in land	4,395	4,395
Total investments	<u>\$ 160,497,750</u>	<u>\$ 156,538,551</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

7. Investments, Continued

Investment income for the year ended June 30, 2023 consists of:

	CFSA, CRTF and PIF	Supporting Organizations	Total
Unrealized gain	\$ 9,345,425	\$ 128,610	\$ 9,474,035
Interest and dividends	3,934,701	392,703	4,327,404
Realized gain	544,358	51,715	596,073
Royalties	-	98,537	98,537
Administrative charges	(396,176)	(33,764)	(429,940)
Investment income, net	\$ 13,428,308	\$ 637,801	\$ 14,066,109

Investment loss 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	\$ (21,688,304)	\$ (1,636,541)	\$ (23,324,845)

At June 30, 2023 and 2022, respectively, \$370,876 and \$8,232,350 of the total investments are invested and valued by various supporting organizations' own investment policies and guidelines. At June 30, 2023 and 2022, respectively, \$93,792,920 and \$86,906,306 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, 2023 and 2022

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, 2023 and 2022.

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, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 139,525,657	\$ -	\$ -	\$ 139,525,657
Stocks	15,178,708	-	-	15,178,708
Fixed income:				
Corporate bonds	655,867	-	-	655,867
Municipal bonds	1,037,619	-	-	1,037,619
Other fixed income	1,623,650	-	-	1,623,650
Total fixed income	3,317,136	-	-	3,317,136
Other investments	-	233,634	2,242,615	2,476,249
Total investments	\$ 158,021,501	\$ 233,634	\$ 2,242,615	\$ 160,497,750
Beneficial interests in trusts	\$ -	\$ -	\$ 421,058	\$ 421,058

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

8. Fair Value Measurements, Continued

The table below sets forth by level, investments at fair value as of June 30, 2022:

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 fixed income	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

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

	2023	2022
Balance, beginning of year	\$ 1,977,045	\$ 906,408
Unrealized (loss) gain, net	(248,375)	87,079
Change in fair value	(17,036)	6,789
Purchases and transfers	530,981	1,786,436
Proceeds	-	(809,667)
Balance, end of year	\$ 2,242,615	\$ 1,977,045

	2023	2022
Balance, beginning of year	\$ 413,361	\$ 1,971,970
Distributions	-	(1,516,185)
Change in value	7,697	(42,424)
Balance, end of year	\$ 421,058	\$ 413,361

9. Designated Obligations

Designated obligations consist of the following at June 30,:

	2023	2022
Charitable gift annuities	\$ 701,623	\$ 763,410
Pooled income fund	77,329	80,699
Total designated obligations	\$ 778,952	\$ 844,109

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

10. Due to Other Agencies

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

	2023	2022
Yuma Library Foundation Endowment Fund	\$ 2,152,255	\$ 2,078,445
Friends of PACC Board Designated Reserve Fund	1,125,696	-
Pima Library Foundation Endowment Fund	833,570	-
Hellene Henrikson Legacy Fund	503,297	648,536
Downtown Tucson Fund	498,989	617,471
Tohono O'odham Community College Endowment	422,012	399,649
Tucson Waldorf School Endowment Fund	406,497	333,639
Green Valley Assistance Services Endowment	251,855	232,784
Amphi Foundation Fund	245,342	226,965
Handi-Dogs Endowment Fund	244,763	247,710
Marcia Grand Endowment Fund	213,334	207,093
Sarah P. Hausman Endowment Fund	194,757	188,305
YWCA of Southern Arizona Endowment Fund	148,564	152,953
Youth On Their Own Endowment Fund	142,763	128,164
Tucson Audubon Endowment Fund	142,285	137,584
NAMI Southern Arizona Endowment Fund	135,066	130,972
Archaeology Southwest Fund	132,750	125,836
Holmes Tuttle Memorial Fund	130,131	130,738
JobPath Fund	107,765	108,117
Other funds	1,394,094	1,223,872
Total due to other agencies	<u>\$ 9,425,785</u>	<u>\$ 7,318,833</u>

11. Note Payable

The note payable consists of the following at June 30,:

	2023	2022
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.	\$ 2,375,523	\$ 2,447,202
Current portion	(73,517)	(71,674)
Non-current portion	<u>\$ 2,302,006</u>	<u>\$ 2,375,528</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

11. Note Payable, Continued

The future maturities due under the note payable at June 30, 2023 are:

June 30,

2024	\$	73,517
2025		75,773
2026		77,915
2027		80,115
2028		82,222
Thereafter		1,985,981
Total notes receivable	\$	<u>2,375,523</u>

12. Net Assets With Donor Restrictions

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

	2023	2022
Restricted for specified purpose	\$ 3,714,620	\$ 3,942,277
Restricted to the passage of time	2,580,110	6,516,471
Endowments:		
Subject to endowment spending policy and appropriation:		
Accumulated earnings on original perpetual endowment gifts	1,738,255	1,416,540
Underwater endowments	(8,884,973)	(11,785,011)
Not subject to appropriation and expenditure -		
Perpetual in nature - original endowment gifts	93,792,920	86,906,306
Net assets with donor restrictions	<u>\$ 92,940,932</u>	<u>\$ 86,996,583</u>

Activity in net assets with donor restrictions is comprised of the following for the year ended June 30, 2023:

	Contributions	Investment Income/(Loss)	Releases and Appropriations
Restricted for specified purpose	\$ 476,459	\$ -	\$ (704,116)
Restricted to the passage of time	856,460	(43,891)	(4,748,930)
Endowments:			
Subject to endowment spending policy and appropriation:			
Accumulated earnings on original perpetual endowment gifts	-	3,006,859	(2,685,144)
Underwater endowments	-	5,230,218	(2,330,180)
Not subject to appropriation and expenditure -			
Perpetual in nature - original endowment gifts	10,164,871	-	(3,278,257)
Net assets with donor restrictions	<u>\$ 11,497,790</u>	<u>\$ 8,193,186</u>	<u>\$ (13,746,627)</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

12. 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>

13. Endowment Funds

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

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions – restricted in perpetuity – endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion, if any, of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – restricted in perpetuity – endowment is classified as net assets with donor restrictions – restricted to the passage of time until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation and (7) the Foundation's investment policies.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

13. Endowment Funds, Continued

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 30th nonspendable (corpus) balance plus a 20-quarter rolling average of the fund's spendable and accumulated earnings balance at the end of each quarter. If the fund is in existence for less than 20 quarters, the calculation will use the average of the existing historical quarters. The current year's spending amount, plus each prior year's unspent "available to grant" balance, becomes the "available to grant" amount for the new fiscal year. The formula shall be applied to the 20 quarters at the end of CFSA's fiscal year.

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

Spending Policies

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

CFSA had the following endowment-related activity during the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,182,836	\$ 88,322,846	\$ 89,505,682
Investment return, net	111,276	3,006,859	3,118,135
Contributions	-	10,164,871	10,164,871
Appropriation of endowment net assets per spending policy	(48,933)	(5,963,401)	(6,012,334)
	<u>\$ 1,245,179</u>	<u>\$ 95,531,175</u>	<u>\$ 96,776,354</u>

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

13. Endowments, Continued

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>

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, 2023 and 2022, funds with deficiencies of \$8,884,973 and \$11,785,011, respectively, were reported in net assets with donor restrictions as follows:

	2023	2022
Fair value of underwater endowment funds	\$ 57,011,408	\$ 65,441,654
Original endowment gift amount	65,896,381	77,226,665
Underwater endowment funds	<u>\$ (8,884,973)</u>	<u>\$ (11,785,011)</u>

14. Retirement 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, 2023 and 2022 was \$130,951 and \$99,381, respectively.

15. 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 \$1,528 to \$3,017 and expire during dates ranging between March 2024 and September 2027. The leases contain escalation clauses ranging between 2.5% and 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, 2023 and 2022 was \$221,125 and \$171,551, respectively.

See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

15. Rental Income, Continued

Future expected minimum rental income under long-term lease agreements is:

Year ended

June 30,

2024	\$	229,568
2025		69,263
2026		40,377
2027		39,725
2028		9,992
	\$	<u>388,925</u>

16. Statement of Cash Flows Disclosures

	2023	2022
Supplemental cash flow information:		
Cash paid during the year for interest	\$ <u>67,204</u>	\$ <u>55,568</u>
Schedule of non-cash investing and financing activities:		
Note and contribution receivable transferred to investments	\$ <u>-</u>	\$ <u>7,110,691</u>
Donated securities	\$ <u>1,962,632</u>	\$ <u>9,961,751</u>
Donated property	\$ <u>411,000</u>	\$ <u>9,961,751</u>
Reinvested dividends	\$ <u>2,612,979</u>	\$ <u>2,195,587</u>
Deconsolidation of supporting organization:		
Prepaid expenses	\$ <u>1,512</u>	\$ <u>-</u>
Investments	\$ <u>1,720,683</u>	\$ <u>-</u>
Accounts payable and accrued expenses	\$ <u>(5,022)</u>	\$ <u>-</u>
Grants and distributions payable	\$ <u>(92,500)</u>	\$ <u>-</u>
Net assets	\$ <u>(1,637,499)</u>	\$ <u>-</u>

The deconsolidation of supporting organization assets, liabilities and net assets above are related to the WDHF supporting organization discussed in Note 2 – Departure from Accounting Principles Generally Accepted in the United States of America.

17. Subsequent Events

Effective June 30, 2023, the TRBFF wound down its grantmaking activities and amended its bylaws to change the qualifying (supported) organization from CFSA to the East Texas Communities Foundation (ETCF). As a result, TRBFF is no longer a supporting organization of CFSA and all assets have been transferred to ETCF as of October 12, 2023.

Effective July 1, 2023, the WDHF received an updated determination letter from the IRS indicating the organization qualifies as a private operating foundation. As a result, WDHF is no longer a supporting organization of CFSA.

The Foundation was unaware of any additional subsequent events as of January 8, 2024, the date the consolidated financial statements were available to be issued.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2023

	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
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 15,932,358	\$ 421,543	\$ 4,075	\$ 20,367	\$ 16,378,343	\$ 732,572	\$ -	\$ 17,110,915
Unconditional promises to give, current portion	3,744	-	-	-	3,744	3,950	-	7,694
Grants and other receivables	2,142	443	-	-	2,585	-	-	2,585
Contributions and bequests receivable, current portion	6,048,606	-	-	-	6,048,606	30,000	-	6,078,606
Investments - other, current portion	-	-	-	-	-	-	-	-
Notes receivable, current portion	318,502	-	-	-	318,502	-	-	318,502
Prepaid expenses and other current assets	57,211	39,196	-	-	96,407	1,575	-	97,982
Total current assets	22,362,563	461,182	4,075	20,367	22,848,187	768,097	-	23,616,284
Unconditional promises to give, net, non-current portion	598	-	-	-	598	-	-	598
Contributions and bequests receivable, non-current portion	70,731	-	-	16,038	86,769	-	-	86,769
Notes receivable, net, non-current portion	990,593	-	-	-	990,593	-	-	990,593
Investments - other, non-current portion	-	-	-	-	-	-	-	-
Investments	156,825,556	-	110,507	684,058	157,620,121	2,877,629	-	160,497,750
Beneficial interests in trusts	-	-	-	421,058	421,058	-	-	421,058
Property and equipment, net	39,500	5,510,776	-	-	5,550,276	-	-	5,550,276
Other assets	10,526	-	-	-	10,526	21,203	-	31,729
Total assets	\$ 180,300,067	\$ 5,971,958	\$ 114,582	\$ 1,141,521	\$ 187,528,128	\$ 3,666,929	\$ -	\$ 191,195,057
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable and accrued expenses	\$ 192,206	\$ 46,394	\$ 61	\$ 1,612	\$ 240,273	\$ 36,502	\$ -	\$ 276,775
Grants and distributions payable	697,663	-	-	25,053	722,716	184,949	-	907,665
Deferred revenue	-	-	-	-	-	-	-	-
Designated obligations	-	-	77,329	701,623	778,952	-	-	778,952
Due to other agencies	9,425,785	-	-	-	9,425,785	-	-	9,425,785
Note payable, current portion	-	73,517	-	-	73,517	-	-	73,517
Total current liabilities	10,315,654	119,911	77,390	728,288	11,241,243	221,451	-	11,462,694
Note payable, non-current portion	-	2,302,006	-	-	2,302,006	-	-	2,302,006
Total liabilities	10,315,654	2,421,917	77,390	728,288	13,543,249	221,451	-	13,764,700
Net assets:								
Without donor restrictions:								
Undesignated	76,284,177	3,550,041	-	-	79,834,218	3,410,028	-	83,244,246
Designated by the Board for endowment	1,245,179	-	-	-	1,245,179	-	-	1,245,179
Designated by the Board - non-endowment	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	77,529,356	3,550,041	-	-	81,079,397	3,410,028	-	84,489,425
With donor restrictions:								
Restricted for specified purpose	3,713,120	-	-	-	3,713,120	1,500	-	3,714,620
Restricted to the passage of time	2,095,735	-	37,192	413,233	2,546,160	33,950	-	2,580,110
Subject to appropriation and expenditure	1,738,255	-	-	-	1,738,255	-	-	1,738,255
Underwater endowments	(8,884,973)	-	-	-	(8,884,973)	-	-	(8,884,973)
Restricted in perpetuity - endowment	93,792,920	-	-	-	93,792,920	-	-	93,792,920
Total net assets with donor restrictions	92,455,057	-	37,192	413,233	92,905,482	35,450	-	92,940,932
Total net assets	169,984,413	3,550,041	37,192	413,233	173,984,879	3,445,478	-	177,430,357
Total liabilities and net assets	\$ 180,300,067	\$ 5,971,958	\$ 114,582	\$ 1,141,521	\$ 187,528,128	\$ 3,666,929	\$ -	\$ 191,195,057

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	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	\$ 14,098,614	\$ 181,398	\$ -	\$ 16,039	\$ 14,296,051	\$ 1,660,102	\$ (2,194,614)	\$ 13,761,539
Grants and trusts	18,223	-	-	-	18,223	-	-	18,223
Special events, net	(41,345)	-	-	-	(41,345)	(30,299)	-	(71,644)
Total support	14,075,492	181,398	-	16,039	14,272,929	1,629,803	(2,194,614)	13,708,118
Revenue, investment and other income:								
Investment income (loss), net	13,486,874	(6,978)	2,116	(53,704)	13,428,308	637,801	-	14,066,109
Loss on sale of property	-	-	-	-	-	(83,748)	-	(83,748)
Change in value of beneficial interests in trusts	-	-	-	7,697	7,697	-	-	7,697
Fund management fees	183,266	-	-	-	183,266	-	(74,738)	108,528
Rental income	-	318,412	-	-	318,412	-	(97,287)	221,125
Other revenue	-	3,700	-	-	3,700	39,124	-	42,824
Total revenue, investment and other income	13,670,140	315,134	2,116	(46,007)	13,941,383	593,177	(172,025)	14,362,535
Total revenue and support	27,745,632	496,532	2,116	(29,968)	28,214,312	2,222,980	(2,366,639)	28,070,653
Expenses:								
Program services	12,100,741	-	72	34,623	12,135,436	10,981,259	(2,246,223)	20,870,472
General and administrative	1,288,695	778,169	95	2,417	2,069,376	153,477	(69,844)	2,153,009
Fund-raising and development	1,403,978	-	71	1,812	1,405,861	131,501	(50,572)	1,486,790
Total expenses	14,793,414	778,169	238	38,852	15,610,673	11,266,237	(2,366,639)	24,510,271
Change in net assets	12,952,218	(281,637)	1,878	(68,820)	12,603,639	(9,043,257)	-	3,560,382
Deconsolidation of support organization	-	-	-	-	-	-	(1,637,499)	(1,637,499)
Net assets, beginning of year	157,032,195	3,831,678	35,314	482,053	161,381,240	12,488,735	1,637,499	175,507,474
Net assets, end of year	\$ 169,984,413	\$ 3,550,041	\$ 37,192	\$ 413,233	\$ 173,984,879	\$ 3,445,478	\$ -	\$ 177,430,357

Supplementary Information
See independent auditor's report.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SUPPORTING ORGANIZATIONS
June 30, 2023

<u>ASSETS</u>	William E. Hall Foundation	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 346,871	\$ 345,852
Unconditional promises to give, current portion	-	-	-	3,950
Contributions and bequests receivable	-	-	-	30,000
Investments - other, current portion	-	-	-	-
Notes receivable, current portion	-	-	-	-
Prepaid expenses and other current assets	-	-	-	1,575
Total current assets	-	-	346,871	381,377
Notes receivable, net, non-current portion	-	-	-	-
Investments - other, noncurrent portion	-	-	-	-
Investments	559,835	4,395	370,876	-
Property and equipment, net	-	-	-	-
Other assets	-	14,600	5,103	-
Total assets	<u>\$ 559,835</u>	<u>\$ 18,995</u>	<u>\$ 722,850</u>	<u>\$ 381,377</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable and accrued expenses	\$ -	\$ -	\$ 3,644	\$ 32,858
Grants and distributions payable	-	9,949	-	-
Deferred revenue	-	-	-	-
Total current liabilities	-	9,949	3,644	32,858
Total liabilities	-	9,949	3,644	32,858
Net assets:				
Without donor restrictions:				
Undesignated	559,835	9,046	719,206	314,569
Designated by the Board - non-endowment	-	-	-	-
Total net assets without donor restrictions	559,835	9,046	719,206	314,569
With donor restrictions:				
Restricted for specified purpose	-	-	-	-
Restricted to the passage of time	-	-	-	33,950
Total net assets with donor restrictions	-	-	-	33,950
Total net assets	559,835	9,046	719,206	348,519
Total liabilities and net assets	<u>\$ 559,835</u>	<u>\$ 18,995</u>	<u>\$ 722,850</u>	<u>\$ 381,377</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, 2023

	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	\$ -	\$ -	\$ 39,849	\$ 732,572
Unconditional promises to give, current portion	-	-	-	3,950
Contributions and bequests receivable	-	-	-	30,000
Investments - other, current portion	-	-	-	-
Notes receivable, current	-	-	-	-
Prepaid expenses and other current assets	-	-	-	1,575
Total current assets	-	-	39,849	768,097
Notes receivable, net, non-current portion	-	-	-	-
Investments - other, noncurrent portion	-	-	-	-
Investments	528,409	1,414,114	-	2,877,629
Property and equipment, net	-	-	-	-
Other assets	-	-	1,500	21,203
Total assets	<u>\$ 528,409</u>	<u>\$ 1,414,114</u>	<u>\$ 41,349</u>	<u>\$ 3,666,929</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable and accrued expenses	-	\$ -	\$ -	\$ 36,502
Grants and distributions payable	175,000	-	-	184,949
Deferred revenue	-	-	-	-
Total current liabilities	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>221,451</u>
Total liabilities	175,000	-	-	221,451
Net assets:				
Without donor restrictions:				
Undesignated	353,409	1,414,114	39,849	3,410,028
Designated by the Board - non-endowment	-	-	-	-
Total net assets without donor restrictions	<u>353,409</u>	<u>1,414,114</u>	<u>39,849</u>	<u>3,410,028</u>
With donor restrictions:				
Restricted for specified purpose	-	-	1,500	1,500
Restricted to the passage of time	-	-	-	33,950
Total net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>35,450</u>
Total net assets	<u>353,409</u>	<u>1,414,114</u>	<u>41,349</u>	<u>3,445,478</u>
Total liabilities and net assets	<u>\$ 528,409</u>	<u>\$ 1,414,114</u>	<u>\$ 41,349</u>	<u>\$ 3,666,929</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, 2023

	William E. Hall Foundation	CFSA Properties, Inc.	Thomas R. Brown Family Foundation	Social Venture Partners
Revenue and support:				
Support:				
Contributions and bequests	\$ -	\$ 413,695	\$ -	\$ 1,200,650
Grants and trusts	-	-	-	-
Special events, net	-	-	-	(30,299)
Total support	-	413,695	-	1,170,351
Revenue, investment and other income:				
Investment income (loss), net	50,624	-	385,384	2,708
Loss on sale of property	-	(83,748)	-	-
Other revenue	-	-	8,974	-
Total revenue, investment and other income	50,624	(83,748)	394,358	2,708
Total revenue and support	50,624	329,947	394,358	1,173,059
Expenses:				
Program services	29,867	326,791	7,351,137	1,029,269
General and administrative	3,155	5,607	53,084	59,799
Fund-raising and development	2,367	4,205	-	101,056
Total expenses	35,389	336,603	7,404,221	1,190,124
Change in net assets	15,235	(6,656)	(7,009,863)	(17,065)
Net assets, beginning of year	544,600	15,702	7,729,069	365,584
Net assets, end of year	\$ 559,835	\$ 9,046	\$ 719,206	\$ 348,519

Supplementary Information
See independent auditor's report.

CONSOLIDATING STATEMENT ACTIVITIES – SUPPORTING ORGANIZATIONS, Continued
For the year ended June 30, 2023

	David S. and Norma R. Lewis Foundation	Howard V. Moore Foundation	Sycamore Canyon Conservation Foundation	Total
Revenue and support:				
Support:				
Contributions and bequests	\$ 45,757	\$ -	\$ -	\$ 1,660,102
Grants and trusts	-	-	-	-
Special events, net	-	-	-	(30,299)
Total support	45,757	-	-	1,629,803
Revenue, investment and other income:				
Investment income (loss), net	48,067	150,654	364	637,801
Loss on sale of property	-	-	-	(83,748)
Other revenue	-	-	30,150	39,124
Total revenue, investment and other income	48,067	150,654	30,514	593,177
Total revenue and support	93,824	150,654	30,514	2,222,980
Expenses:				
Program services	2,087,818	143,320	13,057	10,981,259
General and administrative	9,757	5,093	16,982	153,477
Fund-raising and development	7,317	3,819	12,737	131,501
Total expenses	2,104,892	152,232	42,776	11,266,237
Change in net assets	(2,011,068)	(1,578)	(12,262)	(9,043,257)
Net assets, beginning of year	2,364,477	1,415,692	53,611	12,488,735
Net assets, end of year	\$ 353,409	\$ 1,414,114	\$ 41,349	\$ 3,445,478

Supplementary Information
See independent auditor's report.