

**COMMUNITY FOUNDATION FOR
SOUTHERN ARIZONA AND AFFILIATES**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
A-133 SINGLE AUDIT REPORTS AND SCHEDULES
Years ended June 30, 2008 and 2007**

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Community Foundation for Southern Arizona and Affiliates
Tucson, Arizona

We have audited the accompanying consolidated statements of financial position of Community Foundation for Southern Arizona and Affiliates (an Arizona nonprofit organization) as of June 30, 2008 and 2007 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the Worth & Dot Howard Foundation, a supporting organization of Community Foundation for Southern Arizona, which statements reflect total assets of \$2,609,847 and \$2,863,946 as of June 30, 2008 and 2007, respectively, and total revenues of \$78,967 and \$83,451 for the years then ended, respectively. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Worth & Dot Howard Foundation is based solely on the reports of the other auditor.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation for Southern Arizona and Affiliates as of June 30, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2009 on our consideration of Community Foundation for Southern Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of the Community Foundation for Southern Arizona and Affiliates taken as a whole. The accompanying supplementary information on pages 16 to 21 and the accompanying schedule of expenditures of federal awards on page 28 are presented for purposes of additional analysis and as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Devries CPAs of Arizona, P.C.

DEVRIES CPAS OF ARIZONA, P.C.

July 23, 2009

Integrity is the highest form of service.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 14,624,152	\$ 21,941,443
Investments - Note 3	79,862,903	89,159,019
Pledges receivable - Note 4	438,407	238,703
Bequest receivable	227,253	0
Note receivable - Note 5	150,000	150,000
Government contracts receivable	578,996	407,641
Interest and other receivables - Note 6	111,196	227,482
Charitable remainder annuity trusts - Note 7	588,297	467,755
Property and equipment - Note 8	792,556	771,268
Other assets - Note 9	<u>76,372</u>	<u>297,058</u>
	<u>\$ 97,450,132</u>	<u>\$ 113,660,369</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued liabilities	\$ 136,103	\$ 146,679
Grants and distributions payable	1,849,965	4,366,848
Designated obligations - Note 10	2,748,982	3,380,200
Due to other agencies - Note 11	<u>3,177,280</u>	<u>3,594,568</u>
	7,912,330	11,488,295

Net assets:

Unrestricted:

Available for operations	3,905,741	5,489,768
Designated for endowment purposes	13,897,500	13,790,159
Designated for supporting organizations	42,977,119	52,238,343
Designated for donor advised purposes	<u>13,849,297</u>	<u>16,096,692</u>
	74,629,657	87,614,962
Temporarily restricted - Note 13	3,958,310	5,173,133
Permanently restricted - Note 15	<u>10,949,835</u>	<u>9,383,979</u>
	89,537,802	102,172,074

	<u>\$ 97,450,132</u>	<u>\$ 113,660,369</u>
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See Accompanying Notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues and other support:				
Contributions and bequests	\$ 2,713,921	\$ 296,574	\$ 1,507,067	\$ 4,517,562
Interest, dividends and royalties	5,990,403	610,201		6,600,604
Governmental grant revenues	2,324,975			2,324,975
Programatic and administrative support	2,100			2,100
Fund management fees	30,787			30,787
Special event revenues	267,548			267,548
Other revenue	36,677			36,677
	<u>11,366,411</u>	<u>906,775</u>	<u>1,507,067</u>	<u>13,780,253</u>
Net assets released from restrictions	805,354	(805,354)		0
Total revenues and other support	<u>12,171,765</u>	<u>101,421</u>	<u>1,507,067</u>	<u>13,780,253</u>
Expenses - Note 14:				
Grants and distributions	11,109,307			11,109,307
Program sub-contracts	2,179,565			2,179,565
Salaries, wages and related expenses	1,353,872			1,353,872
Office expenses	658,039			658,039
Professional services	193,407			193,407
Promotion and development	144,381			144,381
Special event expenses	100,810			100,810
Other expenses	58,790			58,790
	<u>15,798,171</u>	<u>0</u>	<u>0</u>	<u>15,798,171</u>
Increase (decrease) in net assets before net gain (loss) on investments and change in value	(3,626,406)	101,421	1,507,067	(2,017,918)
Net gain (loss) on investments:				
Realized gain (loss) on investments	(3,157,814)	1,304,729		(1,853,085)
Unrealized (loss) on investments	(6,166,245)	(2,909,553)		(9,075,798)
Change in fair value	(25,220)			(25,220)
Change in value - split interest agreements	(9,620)	347,369		337,749
	<u>(9,358,899)</u>	<u>(1,257,455)</u>	<u>0</u>	<u>(10,616,354)</u>
Increase (decrease) in net assets	(12,985,305)	(1,156,034)	1,507,067	(12,634,272)
Net assets, beginning of year, as restated - Note 17	87,614,962	5,173,133	9,383,979	102,172,074
Transfers		(58,789)	58,789	
Net assets, end of year	<u>\$ 74,629,657</u>	<u>\$ 3,958,310</u>	<u>\$ 10,949,835</u>	<u>\$ 89,537,802</u>

See Accompanying Notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues and other support:				
Contributions and bequests	\$ 6,723,051	\$ 181,712	\$ 616,373	\$ 7,521,136
Interest, dividends and royalties	4,680,076	1,103,870		5,783,946
Governmental grant revenues	2,446,431			2,446,431
Programatic and administrative support	2,570			2,570
Fund management fees	36,016			36,016
Special event revenues	249,631			249,631
Other revenue	71,137			71,137
	<u>14,208,912</u>	<u>1,285,582</u>	<u>616,373</u>	<u>16,110,867</u>
Net assets released from restrictions	1,110,706	(1,110,706)		0
Total revenues and other support	<u>15,319,618</u>	<u>174,876</u>	<u>616,373</u>	<u>16,110,867</u>
Expenses - Note 14:				
Grants and distributions	8,894,062			8,894,062
Program sub-contracts	2,341,601			2,341,601
Salaries, wages and related expenses	1,242,678			1,242,678
Office expenses	561,203			561,203
Professional services	206,720			206,720
Promotion and development	117,593			117,593
Special event expenses	70,197			70,197
Other expenses	51,898			51,898
	<u>13,485,952</u>	<u>0</u>	<u>0</u>	<u>13,485,952</u>
Increase in net assets before net gain (loss) on investments	1,833,666	174,876	616,373	2,624,915
Net gain (loss) on investments:				
Realized gain on investments	463,129	71,761		534,890
Unrealized gain on investments	6,803,814	1,011,100		7,814,914
Change in value - split interest agreements	1,233	(272,257)		(271,024)
	<u>7,268,176</u>	<u>810,604</u>	<u>0</u>	<u>8,078,780</u>
Increase in net assets	9,101,842	985,480	616,373	10,703,695
Net assets, beginning of year, as restated - Note 17	<u>78,513,120</u>	<u>4,187,653</u>	<u>8,767,606</u>	<u>91,468,379</u>
Net assets, end of year, as restated - Note 17	<u>\$ 87,614,962</u>	<u>\$ 5,173,133</u>	<u>\$ 9,383,979</u>	<u>\$ 102,172,074</u>

See Accompanying Notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (12,634,272)	\$ 10,703,695
Adjustments to reconcile change in net assets to net cash from operating activities:		
Donation of stock	(396,556)	(1,095,284)
Donation of land	0	(1,500)
Realized (gain) loss on investments	1,853,085	(534,890)
Unrealized (gain) loss on investments	9,075,798	(7,814,914)
Depreciation	44,835	35,619
(Increase) decrease in operating assets:		
Pledges receivable	(199,704)	(183,252)
Bequest receivable	(227,253)	0
Government contracts receivable	(171,355)	212,434
Interest and other receivables	116,286	161,075
Charitable remainder annuity trusts	(120,542)	67,334
Other assets	220,687	3,637
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(10,576)	35,699
Grants and distributions payable	(2,516,883)	2,646,485
Designated obligations	(631,218)	86,721
Contributions restricted for long-term purposes	(1,507,067)	(616,373)
Change in agency funds, including investment gains (losses)	(417,288)	408,479
Net cash provided by (used in) operating activities	<u>(7,522,023)</u>	<u>4,114,965</u>
Cash flows from investing activities:		
Proceeds from sales of investments	38,227,424	20,913,393
Purchases of investments	(39,463,635)	(19,642,841)
Issuance of note receivable	0	(150,000)
Purchases of property and equipment	(66,124)	(27,840)
Net cash provided by (used in) investing activities	<u>(1,302,335)</u>	<u>1,092,712</u>
Cash flows provided by financing activities -		
Contributions restricted for long-term purposes	<u>1,507,067</u>	<u>616,373</u>
Increase (decrease) in cash and cash equivalents	(7,317,291)	5,824,050
Cash and cash equivalents, beginning of year	<u>21,941,443</u>	<u>16,117,393</u>
Cash and cash equivalents, end of year	<u>\$ 14,624,152</u>	<u>\$ 21,941,443</u>

Supplemental cash flow information:

No cash paid for interest or income taxes in 2008 or 2007.

See Accompanying Notes.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 1 – Organization

The consolidated entity, 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 Foundation accepts, creates and manages donations, endowments and other charitable gifts for the purpose of providing grants and scholarships in the community. Donors frequently advise CFSA on the selection of projects and grantees. The Foundation also serves as trustee for charitable trusts and as fiscal agent for public monies targeting health issues, job training and community development.

The consolidated financial statements include the following:

The CFSA Pooled Income Fund - 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.

The CFSA Charitable Remainder Trust Fund - a fund that includes trusts whereby the individuals receive income from the trusts during their lifetime. Upon the donor's death, the assets will be transferred to CFSA's unrestricted fund unless further restricted by the donor.

Section 509(a)(3) supporting organizations - An 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. In order to establish a close relationship, a majority of the supporting organization's Board of Directors are also members of CFSA's Board of Directors, CFSA appoints the supporting organization's Board of Directors and the supporting organization and CFSA have common charitable purposes and goals.

Supporting organizations include:

The Melody S. Robidoux Foundation allocates its resources towards grants to qualified religious, charitable, scientific and educational organizations.

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

The I Have a Dream Foundation of Tucson provides scholarships to students of economically disadvantaged families for college and vocational schools. This supporting organization dissolved subsequent to June 30, 2008.

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

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

The Women's Foundation of Southern Arizona supports the purposes of CFSA through grants to organizations and projects supportive of women's issues.

The Knisely Family Foundation, Inc. supports the purposes of CFSA through grants to qualified religious, charitable, scientific and educational organizations.

The Worth and Dot Howard Foundation supports grants to qualified high school students to pursue higher education.

The John W. Madden and Barbara Joann Darrall Foundation promotes the preserving and restoring of wildlife habitats primarily in and around the Sonoran desert, and includes educational activities. This supporting organization dissolved subsequent to year end.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 1 – Organization - continued

The Zuckerman Community Outreach Foundation (Zuckerman Foundation) engages in charitable giving and support for charitable organizations and endeavors whose mission is to reach out to support organizations for the promotion of health and wellness on a local and national level, as well as extending generosity to necessary, creative and artistic endeavors that positively impact the human experience. The Zuckerman Foundation seeks to fund traditional and innovate projects and programs that exist to support this mission.

The Howard V. Moore Foundation is organized and operated exclusively for the support and benefit of, to perform the functions of or to carry out the mission and purposes of CFSA.

The Sycamore Canyon Conservation Foundation 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; restoring habitats; utilizing natural open space as buffer zones; providing educational and research opportunities utilizing natural open space and increased public awareness and appreciation of the land.

NOTE 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. Each of the entities maintains their own net assets. Inter-organization transactions and balances have been eliminated in consolidation.

Use of estimates in preparing consolidated financial statements

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, CFSA and its Affiliates consider all highly liquid instruments purchased with a maturity of three months or less at the date of purchase to be cash equivalents. Certain entities maintain cash in bank deposit or brokerage accounts which may exceed federally insured limits or be uninsured. At June 30, 2008, CFSA and its Affiliates' uninsured cash balances totaled \$ 13,925,229.

Land held for conservation

The land held for conservation is valued at fair value. CFSA considers attributes specific to the asset including the condition and/or location of the asset and restrictions, if any, on the sale or use of the asset. Measurements assume the highest and best use of the asset by market participants, considering the use of the asset that is physically possible, legally permissible and financially feasible.

Permanent collections - conservation easements

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, CFSA has opted to expense purchased conservation easements, and donated easements are not recorded.

Investments

All investments are stated at fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets section in the accompanying consolidated statement of activities.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 2 – Summary of significant accounting policies – continued

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 prior year earnings based upon estate valuation guidance issued by the Internal Revenue Service. Certain investments exceed 5% of total investments, representing a credit risk at June 30, 2008, as follows:

Melody S. Robidoux Foundation -	
Spindrift Limited Partnership	\$ <u>5,349,435</u>

Receivables

Pledges (or unconditional promises to give) are recognized as revenues in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Such pledges are recorded at their present value calculated over the time period of the commitment and recognized as contribution revenue as the present value increases. An allowance for doubtful pledges is not maintained as management considers all pledges to be fully collectible. Conditional pledges are recognized when the conditions on which they depend are substantially met. The Foundation has been notified of numerous conditional pledges which could not be reasonably valued at year-end.

Other assets

Other assets consist of life insurance policies and prepaid expenses.

Property and equipment

Property and equipment are stated at cost, if purchased, or if donated, at fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Land improvements are depreciated over five to ten years, buildings and leasehold improvements over ten to forty years, computers and software over three to five years, equipment over five to eight years and furniture over five to ten years. Capitalization policies vary among CFSA and its Affiliates but the general policy is to capitalize any property or equipment with a useful life of greater than one year and a cost greater than \$2,500.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities represent amounts owed by CFSA and its Affiliates that are not yet disbursed.

Grants and distributions payable

Grants and distributions payable represent support grants pledged by CFSA and its Affiliates 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.

Designated obligations

CFSA's trustees manage assets contributed to the Pooled Income Fund and the Charitable Remainder Trust Fund under which CFSA is 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 year-to-year changes in that obligation are reflected as a change in value.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 2 – Summary of significant accounting policies – continued

Interest income

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

Contributions/restricted revenue

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Bequests

CFSA received a significant amount in bequest gifts for the fiscal year ended June 30, 2008, which are gifts that are unexpected and can fluctuate from year to year. Payments on these

Donated services

Donated goods and space are valued at fair market value. Donated services are recognized in the financial statements at fair market value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although CFSA and its Affiliates utilize the services of many outside volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Administrative allocation

Charges for administrative and overhead expenses of CFSA are allocated against the resources of CFSA and its Affiliates 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.

Income taxes

CFSA is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (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. During the years ended June 30, 2008 and 2007, CFSA did not earn any unrelated business taxable income; therefore, the accompanying financial statements contain no provision for income taxes. CFSA has elected to defer the application of Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN48), until the fiscal year beginning January 1, 2009. CFSA and its Affiliates have not taken any uncertain tax positions and, therefore, have no policy for evaluating them, nor do they expect that the adoption of FIN48 will have a material impact on their financial statements.

Net assets

Net assets are classified into one of three classes of net assets based on the existence or absence of donor-imposed restrictions that may be unrestricted, temporarily restricted and permanently restricted.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 2 – Summary of significant accounting policies – continued

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3 – Investments

Investments at June 30, 2008 and 2007 follow:

	2008	2007
Equity securities	\$ 16,862,351	\$ 19,440,139
Fixed income investments	4,407,017	5,563,710
Corporate bonds	44,157	585,995
Mutual funds	47,741,809	49,385,510
Oil and gas interests	399,810	324,518
Investments in limited partnerships	9,595,154	12,875,534
Certificates of deposit	400,419	0
US Treasuries	279,038	0
Other	133,148	983,613
	<u>\$ 79,862,903</u>	<u>\$ 89,159,019</u>

Investment fees are reported in office expenses on the consolidated statements of activities. For the fiscal years ended June 30, 2008 and 2007, investment fees charged by outside investment managers was \$283,068 and \$252,244, respectively.

At June 30, 2008 and 2007, \$34,065,599 and \$38,827,579, respectively, of the total investments are invested and valued by each supporting organization's own investment policies and guidelines. Of the supporting organizations' total investments at June 30, 2008 and 2007, \$9,588,916 and \$12,869,296, respectively, of limited partnerships are held and managed by one supporting organization.

At June 30, 2008 and 2007, \$10,503,184 and \$9,382,479, respectively, of the above investments were permanently restricted for the endowment net assets and, as such, were unavailable for operations.

In July 2007, one of the investments in limited partnerships suffered substantial losses. The majority of remaining assets have been liquidated by the partnership and the operations are being wound down. An other-than-temporary decline in value of \$1,232,790 was recorded during the year ended June 30, 2008.

NOTE 4 – Pledges receivable

CFSA and its Affiliates have the following pledges receivable at June 30, 2008 and 2007:

	2008	2007
Pledges receivable in less than one year	\$ 292,285	\$ 240,725
Pledges receivable in one to five years	191,280	0
	<u>483,565</u>	<u>240,725</u>
Allowance for uncollectible pledges	(8,150)	0
Less 6% discount to present value	(37,008)	(2,022)
	<u>\$ 438,407</u>	<u>\$ 238,703</u>

NOTE 5 – Note receivable

One supporting organization has a \$150,000 unsecured note receivable bearing 6.5% interest, with interest only due June 2008 and maturing in full May 2009.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 6 – Interest and other receivables

Interest and other receivables at June 30, 2008 and 2007 follow:

	2008	2007
Interest receivable	\$ 110,439	\$ 191,046
Due from investment brokerage on investment sale	0	27,099
Other	757	9,337
	<u>\$ 111,196</u>	<u>\$ 227,482</u>

NOTE 7 – Charitable remainder annuity trusts

CFSA is the beneficiary of two irrevocable charitable remainder trusts administered by third party trustees. The value of the remainder interest is calculated using a discount rate and actuarial tables to show a receivable from the trust. The estimated value of the remainder interest in the two trusts was \$588,297 and \$467,755 at June 30, 2008 and 2007, respectively.

NOTE 8 – Property and equipment

Property and equipment at June 30, 2008 and 2007 follow:

	2008	2007
Equipment and furniture	\$ 106,880	\$ 106,878
Buildings and improvements	578,470	578,470
Computer equipment and software	205,927	139,806
Land	276,400	276,400
Leasehold improvements	17,354	17,354
	<u>1,185,031</u>	<u>1,118,908</u>
Less accumulated depreciation	(392,475)	(347,640)
	<u>\$ 792,556</u>	<u>\$ 771,268</u>

NOTE 9 – Other assets

Other assets at June 30, 2008 and 2007 follow:

	2008	2007
Prepaid and miscellaneous assets	\$ 13,788	\$ 18,583
Land held in perpetuity	1,500	1,500
Land held for sale	21,600	31,220
Artwork	0	206,271
Split dollar life insurance policies	39,484	39,484
	<u>\$ 76,372</u>	<u>\$ 297,058</u>

NOTE 10 – Designated obligations

Designated obligations at June 30, 2008 and 2007 follow:

	2008	2007
Charitable gift annuities	\$ 1,119,823	\$ 1,074,235
Unitrusts	217,047	550,308
Lead trusts	1,256,986	1,559,075
Pooled income fund	155,126	196,582
	<u>\$ 2,748,982</u>	<u>\$ 3,380,200</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 11 – Due to other agencies

Amounts due to other agencies at June 30, 2008 and 2007 were as follows:

	2008	2007
Casa de Esperanza endowment	\$ 83,583	\$ 95,115
Community Food Bank	26,189	28,362
Eighty-Eight Crime fund	76,420	83,045
Gerald Ferro memorial fund for Big Brothers	19,994	23,098
Green Valley Assistance Services endowment	808,733	922,376
Guardianships of Southern Arizona	21,028	22,920
Sarah P. Hausman endowment fund	199,523	227,280
Lorraine Maria Hamilton fund	123,316	141,022
Holsclaw family fund	98,783	107,655
Holmes Tuttle memorial fund	133,392	151,941
Alice Y. Holsclaw YWCA fund	61,020	69,508
Junior League of Tucson	11,116	22,393
Northwest Interfaith Center	27,446	31,116
Irish Famine Commemorative fund	189,963	205,474
One Hundred Club	133,283	146,774
St. Andrew's Crippled Children	158,344	172,586
Tohono O'odham Community College endowment	155,882	169,895
Tucson Audubon Society	129,688	146,042
Tucson Audubon endowment fund	186,321	216,092
Tucson Botanical Gardens	99,437	112,457
Tucson Music Teachers Association	40,372	43,750
Up with People	220,717	255,784
Volunteer Center	24,392	27,669
Other funds	148,338	172,214
	<u>\$ 3,177,280</u>	<u>\$ 3,594,568</u>

NOTE 12 - Pension plan

The Foundation has a Simplified Employee Pension Plan (SEP) covering substantially all employees. Employees become participants in the plan after being employed across two fiscal periods and earning at least \$400 in wages. Participants are immediately vested in the employer contribution. Employer contributions are discretionary based on board approval. Subsequent to June 30, 2008, the Board of Directors approved a contribution to the plan attributable to compensation earned during the year ended June 30, 2008. The contribution was accrued as a liability at June 30,

2008. Pension plan expense was \$45,619 and \$26,737 for June 30, 2008 and 2007, respectively. The SEP plan was converted to a 403b plan in February 2009.

During fiscal year ended June 30, 2008, CFSA established a deferred compensation plan in which participation is explicitly restricted to CFSA's current Executive Director. The Foundation may make contributions to the plan in any amount at any time. The participant is entitled to receive a distribution of the account balance only if the participant is employed on June 30, 2012 or has a severance prior to that date due to death or disability. Any other termination of employment before July 1, 2012 shall result in a forfeiture of any amounts accumulated under the plan. A total of \$30,000 was approved contributions to the plan for the year ended June 30, 2008.

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 13 – Temporarily restricted net assets

Temporarily restricted net assets activity for the year ended June 30, 2008 follows:

	Beginning balance	Contributions	Change in value	Investment (loss)	Releases	Transfers	Ending balance
Darling Scholarship fund	\$ 362,656			\$ (26,834)	\$ (21,822)		\$ 314,000
Hopkins & Vail fund	190,048			(52,226)	(9,226)		128,596
Shaaron Kent fund	1,209,675			(459,811)	(118,455)		631,409
Endowment for the Arts of Tucson fund	122,397			(26,666)	(24,745)		70,986
Wolfe Music Scholarship fund	49,049			(3,375)	(3,420)		42,254
Mary Jane McIntosh Atwood scholarship	59,726			(46,232)	(13,494)		0
Tennis for Tucson fund	40,302			(6,060)	(516)		33,726
Gift annuities/charitable remainder trusts	2,274,474	\$ 78,774	\$ 353,763	(317,201)	(212,841)	\$ (58,789)	2,118,180
Pooled income funds	218,572		(6,394)	3,849	(40,546)		175,481
Women's Foundation funds	194,861	16,700			(186,455)		25,106
Other funds	291,373	378		(60,067)	(63,834)		167,850
Future years operations	160,000	200,722			(110,000)		250,722
	<u>\$ 5,173,133</u>	<u>\$ 296,574</u>	<u>\$ 347,369</u>	<u>\$ (994,623)</u>	<u>\$ (805,354)</u>	<u>\$ (58,789)</u>	<u>\$ 3,958,310</u>

NOTE 14 – Functional expenses

Functional expenses for the year ended June 30, 2008 for the consolidated entities follows:

	CFSA with trusts and pooled income	Supporting organizations	Eliminations	Total
Program services	\$ 6,544,491	\$ 8,769,583	\$ (830,024)	\$ 14,484,050
Development and public relations	128,913	78,217	(43,516)	163,614
Management and general	1,185,992	364,859	(400,344)	1,150,507
	<u>\$ 7,859,396</u>	<u>\$ 9,212,659</u>	<u>\$ (1,273,884)</u>	<u>\$ 15,798,171</u>

Functional expenses for the year ended June 30, 2007 for the consolidated entities follows:

	CFSA with trusts and pooled income	Supporting organizations	Eliminations	Total
Program services	\$ 7,200,175	\$ 5,653,809	\$ (559,465)	\$ 12,294,519
Development and public relations	116,094	69,931	(39,106)	146,919
Management and general	1,068,061	336,231	(359,778)	1,044,514
	<u>\$ 8,384,330</u>	<u>\$ 6,059,971</u>	<u>\$ (958,349)</u>	<u>\$ 13,485,952</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued

June 30, 2008 and 2007

NOTE 15 – Permanently restricted net assets

Permanently restricted net assets at June 30, 2008 and 2007 follows:

	2008	2007
Endowment for the Arts fund	\$ 266,462	\$ 266,462
Lucille A & Matthias P Lowman Family fund	631,243	631,243
Alliance fund	284,695	0
Alden fund	51,423	51,423
Buehrer fund	50,102	50,102
Mary Jane McIntosh Atwood scholarship fund	215,000	215,000
Roger & Mary Baxter scholarship fund	130,335	130,335
DeGrazia Art & Cultural Foundation fund	50,228	50,228
Holsclaw first family fund	50,241	50,241
Miller Endowment fund	50,220	50,220
Margaret T. Morris children's fund	50,241	50,241
Myron Morris fund	114,506	0
Mary Urquides scholarship fund	95,721	0
William G. & Kathleen Rector trust fund	64,463	64,463
Reuling family native american fund	104,447	0
Rosa Parks scholarship fund	95,557	85,074
The Stocker Foundation fund	258,130	258,130
Sundt First Family fund	50,271	50,271
Hopkins & Vail fund	534,905	534,905
Walley fund	62,496	62,496
Wolfe fund	75,014	0
Women's Foundation of Southern Arizona fund	789,412	261,517
Holsclaw advisory endowment fund	301,270	301,270
Shaaron Kent endowment fund	5,121,181	4,890,744
Sycamore Canyon conservation land	1,500	1,500
Other funds	1,450,772	1,328,114
	<u>\$ 10,949,835</u>	<u>\$ 9,383,979</u>

NOTE 16 – Lease commitments

CFSA leases office space under the terms of a month to month lease and office equipment under the terms of leases expiring between October 2007 and September 2009. In addition, the Robidoux Foundation leases office space under the terms of a lease expiring September 30, 2010. Rental expense for the years ended June 30, 2008 and 2007 follows:

	2008	2007
Robidoux Foundation	\$ 14,523	\$ 14,872
CFSA	26,755	22,705
	<u>\$ 41,278</u>	<u>\$ 37,577</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
June 30, 2008 and 2007

NOTE 16 – Lease commitments – continued

Future minimum lease payments for the CFSA and Robidoux Foundation lease at June 30, 2008 are as follows:

	CFSA	Robidoux	Total
Year ending June 30, 2009	\$ 57,894	\$ 15,296	\$ 73,190
2010	43,812	15,754	59,566
2011	11,288	3,968	15,256
	<u>\$ 112,994</u>	<u>\$ 35,018</u>	<u>\$ 148,012</u>

NOTE 17 – Prior period adjustments

During the year ended June 30, 2008, the following corrections were made to net assets at June 30, 2007 and 2006:

	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Total net assets
Balance at June 30, 2006, as previously reported	\$ 78,549,920	\$ 4,150,853	\$ 8,767,606	\$ 91,468,379
Reclassification of net assets	(36,800)	36,800		0
Balance at June 30, 2006, as restated	78,513,120	4,187,653	8,767,606	91,468,379
Originally reported increase in net assets for the year ended June 30, 2007	9,063,213	1,024,109	5,014,873	15,102,195
Reclassification of net assets	38,629	(38,629)		0
Overstatement of other assets			(4,398,500)	(4,398,500)
Balance at June 30, 2007, as restated	<u>\$ 87,614,962</u>	<u>\$ 5,173,133</u>	<u>\$ 9,383,979</u>	<u>\$ 102,172,074</u>

These prior period adjustments were specific to the support organizations.

NOTE 18 – Subsequent event

Subsequent to June 30, 2008, CFSA received approval of a \$350,000 grant to be received in two installments over two years. The first installment was received in October 2008 and the second is expected to be received in October 2009.

As discussed in Note 1, two support organizations, The I Have a Dream Foundation of Tucson and The John W. Madden and Barbara Joann Darrall Foundation, ceased operations and dissolved subsequent to June 30, 2008.

The Robidoux Foundation owns 34.5957 shares in Highbridge Capital Corporation at June 30, 2008. The fair market value of these shares is recorded at \$2,767,516 at June 30, 2008 and is included in investments in the consolidated statement of financial position. Based on the December 31, 2008 audited financial statements of the Highbridge Capital Corporation, audited by another auditor and furnished to us, the net assets decreased from \$11.6 billion at December 31, 2007 to \$1 billion at December 31, 2008, therefore having a significant effect on the value of the shares owned by the Robidoux Foundation.

SUPPLEMENTARY INFORMATION

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2008

(with comparative totals for June 30, 2007)

	Community Foundation for Southern Arizona, Inc.	Gift annuities/					Total with	
		Pooled income fund	charitable remainder trusts	Total without supporting organizations	Supporting organizations	Consolidating entries	supporting organizations	
							2008	2007
ASSETS								
Cash and cash equivalents	\$ 6,825,062	\$ 2,031	\$ 16,091	\$ 6,843,184	\$ 7,780,968	\$ 14,624,152	\$ 21,941,443	
Investments	39,616,578	325,810	4,212,432	44,154,820	35,708,083	79,862,903	89,159,019	
Pledges receivable	284,943			284,943	418,464	\$ (265,000)	238,703	
Bequest receivable	227,253			227,253	150,000	227,253	0	
Note receivable						150,000	150,000	
Government contracts receivable	578,996			578,996		578,996	407,641	
Interest and other receivables	101,903	1,216	9,725	112,844	39,988	111,196	227,482	
Charitable remainder annuity trusts			588,297	588,297		588,297	467,755	
Property and equipment	79,189			79,189	713,367	792,556	771,268	
Other assets	41,800			41,800	34,572	76,372	297,058	
	<u>\$ 47,755,724</u>	<u>\$ 329,057</u>	<u>\$ 4,826,545</u>	<u>\$ 52,911,326</u>	<u>\$ 44,845,442</u>	<u>\$ (306,636)</u>	<u>\$ 113,660,369</u>	

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued liabilities	\$ 112,033	\$ 112,033	\$ 65,706	\$ (41,636)	\$ 136,103	\$ 146,679
Grants and distributions payable	1,125,435	3,030	1,128,465	(265,000)	1,849,965	4,366,848
Designated obligations		155,126	2,593,856		2,748,982	3,380,200
Due to other agencies	3,177,280		3,177,280		3,177,280	3,594,568
	<u>4,414,748</u>	<u>158,156</u>	<u>2,593,856</u>	<u>(306,636)</u>	<u>7,912,330</u>	<u>11,488,295</u>
Net assets (deficit):						
Unrestricted	31,542,610	(4,578)	114,506	42,977,119	74,629,657	87,614,962
Temporarily restricted	1,639,543	175,479	2,118,183	25,105	3,958,310	5,173,133
Permanently restricted	10,158,823		10,158,823	791,012	10,949,835	9,383,979
	<u>43,340,976</u>	<u>170,901</u>	<u>2,232,689</u>	<u>43,793,236</u>	<u>89,537,802</u>	<u>102,172,074</u>
	<u>\$ 47,755,724</u>	<u>\$ 329,057</u>	<u>\$ 4,826,545</u>	<u>\$ 52,911,326</u>	<u>\$ 97,450,132</u>	<u>\$ 113,660,369</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2008

(with comparative totals for the year ended June 30, 2007)

	Community Foundation for Southern Arizona, Inc.	Pooled income fund	Gift annuities/ charitable remainder trusts	Total without supporting organizations	Supporting organizations	Consolidating entries	supporting organizations 2008	Total with supporting organizations 2007
Revenues and other support:								
Contributions and bequests	\$ 3,383,625		\$ 78,775	\$ 3,462,400	\$ 1,458,732	\$ (403,570)	\$ 4,517,562	\$ 7,521,136
Interest, dividends and royalties	4,051,386	\$ 20,691	300,514	4,372,591	2,228,013		6,600,604	5,783,946
Governmental grant revenues	2,324,975			2,324,975			2,324,975	2,446,431
Programatic and administrative support	6,000			6,000		(3,900)	2,100	2,570
Fund management fees	897,201			897,201		(866,414)	30,787	36,016
Special event revenues	123,924			123,924	143,624		267,548	249,631
Other revenue	2,517			2,517	34,160		36,677	71,137
Total revenues and other support	10,789,628	20,691	379,289	11,189,608	3,864,529	(1,273,884)	13,780,253	16,110,867
Expenses:								
Grants and distributions	3,100,973		607	3,101,580	8,411,297	(403,570)	11,109,307	8,894,062
Program sub-contracts	2,179,565			2,179,565			2,179,565	2,341,601
Salaries, wages and related expenses	1,114,506			1,114,506	239,366		1,353,872	1,242,678
Office expenses	379,031	1,350	25,781	406,162	255,777	(3,900)	658,039	561,203
Professional services	790,963	1,095	45,164	837,222	222,599	(866,414)	193,407	206,720
Promotion and development	137,582			137,582	6,799		144,381	117,593
Special event expenses	52,808			52,808	48,002		100,810	70,197
Other expenses	29,971	2,445	71,552	29,971	28,819		58,790	51,898
	7,785,399	2,445	71,552	7,859,396	9,212,659	(1,273,884)	15,798,171	13,485,952
Increase (decrease) in net assets before net gain (loss) on investments and change in value	3,004,229	18,246	307,737	3,330,212	(5,348,130)		(2,017,918)	2,624,915
Net gain (loss) on investments:								
Realized gain (loss) on investments	(655,145)	1,407	(75,817)	(729,555)	(1,123,530)		(1,853,085)	534,890
Unrealized gain (loss) on investments	(6,137,646)	(22,829)	(541,896)	(6,702,371)	(2,373,427)		(9,075,798)	7,814,914
Change in fair value	(25,220)			(25,220)			(25,220)	0
Change in value-split interest agreements		(6,394)	353,763	347,369	(9,620)		337,749	(271,024)
Transfers in (out)	125,673	(38,101)	(85,572)	2,000	(2,000)		0	0
	(6,692,338)	(65,917)	(349,522)	(7,107,777)	(3,508,577)	0	(10,616,354)	8,078,780
Increase (decrease) in net assets	(3,688,109)	(47,671)	(41,785)	(3,777,565)	(8,856,707)	0	(12,634,272)	10,703,695
Net assets, beginning of year	47,029,085	218,572	2,274,474	49,522,131	52,649,943	0	102,172,074	91,468,379
Net assets, end of year	\$ 43,340,976	\$ 170,901	\$ 2,232,689	\$ 45,744,566	\$ 43,793,236	\$ 0	\$ 89,537,802	\$ 102,172,074

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPORTING ORGANIZATIONS

June 30, 2008

(with comparative totals for June 30, 2007)

	Melody S. Robidoux Foundation	William E. Hall Foundation	I Have A Dream Foundation of Tucson	CFSA Properties Inc.	Thomas R. Brown Family Foundation	Women's Foundation of Southern Arizona	Knisely Family Foundation
Cash and cash equivalents	\$ 2,231,924	\$ 588	\$ 16,323		\$ 2,039,843	\$ 162,646	\$ 22,524
Investments	17,246,446	777,549	60,644		4,009,362	864,927	3,654,871
Pledges receivable						418,464	
Note receivable	150,000						
Interest and other receivables	2,181		920		4,172	1,564	11,739
Charitable remainder annuity trusts				\$ 696,298			
Property and equipment	17,069			21,600	8,749	2,723	
Other assets							
	<u>\$ 19,647,620</u>	<u>\$ 778,137</u>	<u>\$ 77,887</u>	<u>\$ 717,898</u>	<u>\$ 6,062,126</u>	<u>\$ 1,450,324</u>	<u>\$ 3,689,134</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued liabilities	\$	141	\$	1,523	\$	7,358	\$	6,288	\$	12,430
Grants and distributions payable	\$	674,000				170,000				26,000
		<u>674,000</u>		<u>1,523</u>		<u>177,358</u>		<u>6,288</u>		<u>38,430</u>

Net assets:

Unrestricted	18,973,620	\$	778,137		77,746	716,375	5,884,768	629,419	3,650,704
Temporarily restricted								25,105	
Permanently restricted								789,512	
	<u>18,973,620</u>		<u>778,137</u>		<u>77,746</u>	<u>716,375</u>	<u>5,884,768</u>	<u>1,444,036</u>	<u>3,650,704</u>
	<u>\$ 19,647,620</u>	<u>\$</u>	<u>778,137</u>	<u>\$</u>	<u>77,887</u>	<u>717,898</u>	<u>\$ 6,062,126</u>	<u>\$ 1,450,324</u>	<u>\$ 3,689,134</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUPPORTING ORGANIZATIONS - continued
June 30, 2008
(with comparative totals for June 30, 2007)

	The Zuckerman				Sycamore	
	Worth and Dot Howard Foundation	Madden/ Darrall Foundation	Community Outreach Foundation	Howard V. Moore Foundation	Canyon Conservation Foundation	Total
ASSETS						
Cash and cash equivalents	\$ 128,818	\$ 184	\$ 1,385,593	\$ 1,723,041	\$ 69,484	\$ 7,780,968
Investments	2,473,712		6,620,572			35,708,083
Pledges receivable						418,464
Note receivable						150,000
Interest and other receivables	7,313		12,099			39,988
Charitable remainder annuity trusts						0
Property and equipment						713,367
Other assets					1,500	34,572
	<u>\$ 2,609,843</u>	<u>\$ 184</u>	<u>\$ 8,018,264</u>	<u>\$ 1,723,041</u>	<u>\$ 70,984</u>	<u>\$ 44,845,442</u>
						<u>\$ 60,432,104</u>
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued liabilities	\$ 8,621		\$ 11,943	939	\$ 16,463	\$ 65,706
Grants and distributions payable	116,500					986,500
	<u>125,121</u>		<u>11,943</u>	<u>939</u>	<u>16,463</u>	<u>1,052,206</u>
						<u>\$ 3,383,661</u>
Net assets:						
Unrestricted	2,484,722	\$ 184	8,006,321	\$ 1,722,102	53,021	42,977,119
Temporarily restricted						25,105
Permanently restricted					1,500	791,012
	<u>2,484,722</u>	<u>184</u>	<u>8,006,321</u>	<u>1,722,102</u>	<u>54,521</u>	<u>43,793,236</u>
	<u>\$ 2,609,843</u>	<u>\$ 184</u>	<u>\$ 8,018,264</u>	<u>\$ 1,723,041</u>	<u>\$ 70,984</u>	<u>\$ 44,845,442</u>
						<u>\$ 60,432,104</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES - SUPPORTING ORGANIZATIONS

Year ended June 30, 2008

(with comparative totals for the year ended June 30, 2007)

	Melody S. Robidoux Foundation	William E. Hall Foundation	I Have A Dream Foundation of Tucson	CFSA Properties Inc.	Thomas R. Brown Family Foundation	Women's Foundation of Southern Arizona	Knisely Family Foundation
Revenue and other support:							
Contributions and bequests	\$ 712,224	\$ 81,283	\$ 764		\$ 555,693	\$ 994,150	\$ 19,890
Interest, dividends and royalties			12,126			21,493	272,501
Special event revenues						143,624	
Other revenue							
Total revenues and other support	<u>712,224</u>	<u>81,283</u>	<u>12,890</u>		<u>555,693</u>	<u>1,159,267</u>	<u>292,391</u>
Expenses:							
Grants and distributions	810,137	41,500	31,050		6,941,500	158,220	131,000
Program sub-contracts	64,871					116,126	
Salaries, wages and related expenses	51,903	2,782	67	\$ 9	56,336	49,601	20,952
Office expenses	8,175	11,343	1,644	700		52,309	22,676
Professional services	107					6,692	
Promotion and development						48,002	
Special event expenses				21,053		6,101	
Other expenses	<u>1,665</u>	<u>55,625</u>	<u>32,761</u>	<u>21,762</u>	<u>6,997,836</u>	<u>437,051</u>	<u>174,628</u>
Increase (decrease) in net assets before net gain (loss) on investments and change in value	(224,634)	25,658	(19,871)	(21,762)	(6,442,143)	722,216	117,763
Net gain (loss) on investments:							
Realized gain (loss) on investments	(1,052,860)	(1,280)			(16,672)	59,138	(18,125)
Unrealized (loss) on investments	(541,073)	(144,005)	(17,280)	(9,620)	(413,648)	(104,713)	(328,082)
Change in value-split interest agreements							
Transfers in (out)							
Increase (decrease) in net assets	<u>(1,593,933)</u>	<u>(145,285)</u>	<u>(17,280)</u>	<u>(9,620)</u>	<u>(430,320)</u>	<u>(45,575)</u>	<u>(346,207)</u>
Net assets, beginning of year	<u>(1,818,567)</u>	<u>(119,627)</u>	<u>(37,151)</u>	<u>(31,382)</u>	<u>(6,872,463)</u>	<u>676,641</u>	<u>(228,444)</u>
Net assets, end of year	<u>20,792,187</u>	<u>897,764</u>	<u>114,897</u>	<u>747,757</u>	<u>12,757,231</u>	<u>767,395</u>	<u>3,879,148</u>
Net assets, end of year	<u>\$ 18,973,620</u>	<u>\$ 778,137</u>	<u>\$ 77,746</u>	<u>\$ 716,375</u>	<u>\$ 5,884,768</u>	<u>\$ 1,444,036</u>	<u>\$ 3,650,704</u>

COMMUNITY FOUNDATION FOR SOUTHERN ARIZONA AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES - SUPPORTING ORGANIZATIONS - continued
Year ended June 30, 2008
(with comparative totals for the year ended June 30, 2007)

	Worth and Dot Howard Foundation	Madden/ Darrall Foundation	The Zuckerman Community Outreach Foundation	Howard V. Moore Foundation	Sycamore Canyon Conservation Foundation	Total
Revenue and other support:						
Contributions and bequests	\$ 200			\$ 433,818	\$ 9,910	\$ 1,458,732
Interest, dividends and royalties	78,767		\$ 441,795	49,388	2,743	2,228,013
Special event revenues						143,624
Other revenue					34,160	34,160
Total revenues and other support	78,967		441,795	483,206	46,813	3,864,529
Expenses:						
Grants and distributions	117,500		180,390			8,411,297
Program sub-contracts						0
Salaries, wages and related expenses	58,369					239,366
Office expenses	5,225		58,775	216	9,911	255,777
Professional services	28,961	\$ 156	50,100	16,010	30,525	222,599
Promotion and development						6,799
Special event expenses						48,002
Other expenses						28,819
	210,055	156	289,265	16,226	40,436	9,212,659
Increase (decrease) in net assets before net gain (loss) on investments and change in value	(131,088)	(156)	152,530	466,980	6,377	(5,348,130)
Net gain (loss) on investments:						
Realized gain (loss) on investments	4,514		(98,245)			(1,123,530)
Unrealized gain (loss) on investments	(154,110)		(670,516)			(2,373,427)
Change in value-split interest agreements						(9,620)
Transfers in (out)			(2,000)			(2,000)
	(149,596)	0	(770,761)	0	0	(3,508,577)
Increase (decrease) in net assets	(280,684)	(156)	(618,231)	466,980	6,377	(8,856,707)
Net assets, beginning of year	2,765,406	340	8,624,552	1,255,122	48,144	52,649,943
Net assets, end of year	\$ 2,484,722	\$ 184	\$ 8,006,321	\$ 1,722,102	\$ 54,521	\$ 43,793,236
						\$ 57,048,443