

The Arizona Community Foundation, Inc. and Support Foundations

Combined Financial Statements
and Supplementary Information

March 31, 2024 and 2023

The Arizona Community Foundation, Inc. and Support Foundations

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Independent Auditors' Report

To the Board of Directors of
Arizona Community Foundation, Inc. and Support Foundations

Opinion

We have audited the combined financial statements of Arizona Community Foundation, Inc. and Support Foundations (the Foundation), which comprise the combined statements of financial position as of March 31, 2024 and 2023, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combining financial statements present fairly, in all material respects, the combined financial position of the Foundation as of March 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules of financial position and activities that follows on pages 33 and 34 are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Tempe, Arizona
September 18, 2024

The Arizona Community Foundation, Inc. and Support Foundations

Combined Statements of Financial Position

March 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 2,016,578	\$ 6,079,067
Prepaid expenses and other assets	268,231	364,663
Receivables, net	47,347,297	37,487,965
Investments	1,384,420,679	1,291,050,669
Property and equipment, net	734,199	1,025,297
Operating leases right-of-use assets	2,715,142	3,486,301
Total assets	<u>\$ 1,437,502,126</u>	<u>\$ 1,339,493,962</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,307,991	\$ 1,139,034
Grants payable	28,976,385	26,887,435
Notes payable	-	150,000
Operating lease liabilities	2,800,695	3,611,817
Present value of annuity liabilities, charitable remainder trusts	13,378,306	12,192,231
Present value of annuity liabilities, charitable gift annuities	1,585,022	1,343,100
Agency funds and funds held for others	145,777,057	135,280,699
Total liabilities	<u>193,825,456</u>	<u>180,604,316</u>
Net Assets		
Without donor restrictions	1,221,087,348	1,138,412,198
With donor restrictions	<u>22,589,322</u>	<u>20,477,448</u>
Total net assets	<u>1,243,676,670</u>	<u>1,158,889,646</u>
Total liabilities and net assets	<u>\$ 1,437,502,126</u>	<u>\$ 1,339,493,962</u>

See notes to combined financial statements

The Arizona Community Foundation, Inc. and Support Foundations

Combined Statements of Activities

Years Ended March 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Contributions, Revenues and Other Support						
Contributions	\$ 69,119,108	\$ 1,208,128	\$ 70,327,236	\$ 90,212,859	\$ -	\$ 90,212,859
Contributed nonfinancial assets	-	-	-	5,248,720	-	5,248,720
Investment income (loss)	123,947,056	-	123,947,056	(53,784,767)	-	(53,784,767)
Interest from notes receivables	953,046	-	953,046	676,445	-	676,445
Change in split interest agreements	(146,405)	1,343,793	1,197,388	(95,667)	(2,178,053)	(2,273,720)
Administrative and trustee fee revenues	1,241,910	-	1,241,910	1,474,484	-	1,474,484
Rental income	1,226,626	-	1,226,626	1,017,128	-	1,017,128
Other income (charges)	203,074	-	203,074	431,102	-	431,102
Total contributions, revenues and other support before net assets released from restrictions	196,544,415	2,551,921	199,096,336	45,180,304	(2,178,053)	43,002,251
Net assets released from restrictions:						
Charitable trusts	440,047	(440,047)	-	663,094	(663,094)	-
Total contributions, revenues and other support	196,984,462	2,111,874	199,096,336	45,843,398	(2,841,147)	43,002,251
Expenses						
Program services:						
Grants and scholarships	93,389,598	-	93,389,598	94,915,835	-	94,915,835
Other program expenses	12,387,856	-	12,387,856	14,327,040	-	14,327,040
Total program expenses	105,777,454	-	105,777,454	109,242,875	-	109,242,875
Management and general	5,445,706	-	5,445,706	5,087,603	-	5,087,603
Fundraising	3,086,152	-	3,086,152	3,265,181	-	3,265,181
Total expenses	114,309,312	-	114,309,312	117,595,659	-	117,595,659
Change in net assets	82,675,150	2,111,874	84,787,024	(71,752,261)	(2,841,147)	(74,593,408)
Net Assets, Beginning	1,138,412,198	20,477,448	1,158,889,646	1,210,164,459	23,318,595	1,233,483,054
Net Assets, Ending	<u>\$ 1,221,087,348</u>	<u>\$ 22,589,322</u>	<u>\$ 1,243,676,670</u>	<u>\$ 1,138,412,198</u>	<u>\$ 20,477,448</u>	<u>\$ 1,158,889,646</u>

See notes to combined financial statements

The Arizona Community Foundation, Inc. and Support Foundations

Combined Statement of Functional Expenses

Year Ended March 31, 2024

	Program Services	Management and General	Fundraising	Total
Grants and scholarships	\$ 93,389,598	\$ -	\$ -	\$ 93,389,598
Salaries and wages	3,937,760	2,702,384	1,080,954	7,721,098
Retirement plan contributions	202,218	138,777	55,511	396,506
Other employee benefits	354,967	243,605	97,442	696,014
Payroll taxes	257,780	176,908	70,763	505,451
Advertising and promotion	535,030	54,612	181,313	770,955
Depreciation and amortization	169,362	116,230	46,492	332,084
Dues, subscriptions and publications	83,368	57,213	22,885	163,466
Event expenses	-	-	893,091	893,091
General program expenses	1,327,899	-	-	1,327,899
Information technology	463,011	317,753	127,101	907,865
Insurance	79,853	54,801	21,921	156,575
Interest	11,000	-	-	11,000
Occupancy	548,753	376,595	150,638	1,075,986
Office expenses	172,983	125,318	47,485	345,786
Other expenses	318,673	444,544	86,722	849,939
Professional services	3,840,922	555,073	173,760	4,569,755
Travel	84,277	81,893	30,074	196,244
Total	<u>\$ 105,777,454</u>	<u>\$ 5,445,706</u>	<u>\$ 3,086,152</u>	<u>\$ 114,309,312</u>

See notes to combined financial statements

The Arizona Community Foundation, Inc. and Support Foundations

Combined Statement of Functional Expenses

Year Ended March 31, 2023

	Program Services	Management and General	Fundraising	Total
Grants and scholarships	\$ 94,915,835	\$ -	\$ -	\$ 94,915,835
Salaries and wages	4,440,233	2,466,798	1,315,625	8,222,656
Retirement plan contributions	234,869	130,483	69,591	434,943
Other employee benefits	434,834	241,574	128,840	805,248
Payroll taxes	291,278	161,821	86,304	539,403
Advertising and promotion	509,591	59,949	130,064	699,604
Depreciation and amortization	203,901	113,278	60,415	377,594
Dues, subscriptions and publications	88,357	49,087	26,180	163,624
Event expenses	-	-	717,569	717,569
General program expenses	2,079,362	-	-	2,079,362
Information technology	374,049	207,805	110,829	692,683
Insurance	78,126	43,403	23,149	144,678
Interest	20,960	-	-	20,960
Occupancy	590,529	328,071	174,971	1,093,571
Office expenses	180,754	130,538	53,557	364,849
Other expenses	152,598	467,091	123,558	743,247
Professional services	4,557,625	603,163	211,612	5,372,400
Travel	89,974	84,542	32,917	207,433
Total	<u>\$ 109,242,875</u>	<u>\$ 5,087,603</u>	<u>\$ 3,265,181</u>	<u>\$ 117,595,659</u>

See notes to combined financial statements

The Arizona Community Foundation, Inc. and Support Foundations

Combined Statements of Cash Flows
Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 84,787,024	\$ (74,593,408)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated investments	(5,398,761)	(37,660,212)
Realized/unrealized investment (gains) losses	(101,498,503)	72,213,323
Change in split interest agreements and present value of annuity payments, net	1,427,997	(2,560,613)
Provision of uncollectible notes receivable	-	(200,000)
Depreciation and amortization	332,084	377,594
Loss on disposal of property and equipment	-	153,086
Amortization of right-of-use assets	875,174	899,685
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(13,855,957)	(376,993)
Prepaid expenses and other assets	96,432	(55,640)
Increase (decrease) in:		
Accounts payable and accrued expenses	168,957	(495,800)
Grants payable	2,088,950	2,543,594
Operating lease liability	(915,137)	(841,090)
Agency funds	(2,605,089)	3,944,859
Net cash used in operating activities	<u>(34,496,829)</u>	<u>(36,651,615)</u>
Cash Flows From Investing Activities		
Proceeds from sales of investments	157,072,307	215,072,047
Collections on notes receivable	6,002,991	4,463,797
Purchases of investments	(106,954,590)	(161,153,967)
Interest and dividends reinvested	(23,489,016)	(19,980,231)
Issuance of notes receivable	(2,006,366)	(5,330,600)
Proceeds from sale of property and equipment	-	369,626
Purchases of property and equipment	(40,986)	(824,418)
Net cash provided by investing activities	<u>30,584,340</u>	<u>32,616,254</u>
Cash Flows From Financing Activities		
Payment on programmatic revolving loans	-	(1,710,812)
Payments on short-term debt	(150,000)	-
Borrowings on short-term debt	-	150,000
Net cash used in financing activities	<u>(150,000)</u>	<u>(1,560,812)</u>
Net change in cash and cash equivalents	(4,062,489)	(5,596,173)
Cash and Cash Equivalents, Beginning	<u>6,079,067</u>	<u>11,675,240</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 2,016,578</u></u>	<u><u>\$ 6,079,067</u></u>
Supplemental Disclosure of Noncash Investing Activities		
Realized/unrealized gains (losses) on agency fund investments	<u>\$ 13,101,447</u>	<u>\$ (7,115,920)</u>
Donated art objects	<u>\$ -</u>	<u>\$ 5,248,720</u>
Donated real estate investments	<u>\$ -</u>	<u>\$ 7,020,000</u>

See notes to combined financial statements

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

1. Foundation's Operations and Summary of Significant Accounting Policies

Nature of Operations

The Arizona Community Foundation, Inc. (ACF) is incorporated in Arizona as a tax-exempt, nonprofit, publicly supported, nonsectarian philanthropic institution with a long-term goal of building permanent and named component funds established by many separate donors for the primary charitable benefit of the residents of Arizona.

The Support Foundations (the Support Foundations) are separate Arizona tax-exempt public organizations. They operate exclusively to receive and administer funds for charitable, benevolent, scientific and educational purposes in support of the Foundation's exempt purpose. The Support Foundations consist of the following entities:

- AFC Public Foundation
- Burton Family Foundation
- Ellis Center for Educational Excellence
- First Baptist Church of Phoenix Foundation
- Issacs Family Foundation
- Sam & Peggy Grossman Family Foundation
- R. S. Hoyt Jr. Family Foundation
- Molly Lawson Foundation
- Lippincott Family Foundation
- Richard A. Odom Family Foundation
- Odom Family Foundation
- Pakis Family Foundation
- Petznick Stewart Foundation
- Edward J. Robson Family Foundation
- Rodel Charitable Foundation - AZ
- Rosenbluth Family Foundation
- Silverman Family Foundation
- Jim Troxell Foundation
- James A. Unruh Family Foundation
- WAZE Foundation
- Wellik Foundation and Subsidiary
- Robert J. Wick Family Foundation
- Walter M. Wick Family Foundation

Subsequent to the year ended March 31, 2024, Richard A. Odom Family Foundation and Robert J. Wick Family Foundation disposed of all net assets and the entities were dissolved.

The significant accounting policies followed by the Foundation and the Support Foundations are as follows:

Combined Financial Statements

ACF has an economic interest in and control over the Support Foundations. The combined financial statements include the accounts of ACF and the Support Foundations (collectively referred to as the Foundation). All of the financial activities and balances of these organizations are included in the combined financial statements. All significant inter-organization accounts and transactions have been eliminated in combination.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Basis of Presentation

The combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and accordingly reflect all significant receivables, payables, and other liabilities.

The Foundation is required to report information regarding its combined financial position and activities according to two groups of net assets:

- **Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations and donor-restricted contributions whose restrictions are met in the same reporting period.
- **Net Assets With Donor Restrictions** - Net assets subject to donor-imposed stipulations that will be either met by actions of the Foundation or the passage of time. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as income when the assets are placed in service.

Contributions

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Unconditional contributions, including unconditional promises to give, are recognized in the period received. Conditional contributions or grants, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed Nonfinancial Assets

Assets and other noncash items donated to the Foundation are recorded as contributions at their estimated fair value at the date of donation. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. The Foundation records donations of property and equipment that are not restricted as to their use by the donor as contributions without donor restrictions.

Fair Value Measurements

A framework for measuring fair value has been established by the Accounting Standards Codification and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy ranks the quality and reliability of the inputs used to measure fair values, and requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

The Foundation's policy for determining the timing of significant transfers between levels of the fair value hierarchy is at the date of the event or change in circumstances that caused the transfer.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Asset/Liability Type:	Valuation Method:
Equity securities, debt securities and mutual funds	Valued at the closing price reported in the active market
Real estate	Valued at fair value using the lesser of the most recent appraised value or listed sale value
Closely held stocks or partnership interests	No readily determinable fair value - valued using the measurement alternative
Life insurance policies	Valued at cash surrender value
Alternative investments	Valued at net asset value (practical expedient)
Annuity liabilities under split interest agreements	Valued at the present value of future cash flows using actuarial mortality tables (Level 3)
Real estate partnerships with noncontrolling interest	Equity method

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or inputs to determine the fair value of certain financial instruments could result in a different fair value at the reporting date.

Cash and Cash Equivalents

For purposes of the combined statements of cash flows, cash and cash equivalents include liquid accounts with original maturities of three months or less at date of acquisition that are not designated for investment purposes. Deposits at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC).

Promises to Give

Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using a discount rate based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the donors, the Foundation's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Bequests Receivable

Bequests receivable are recognized as contribution revenue in the period the Foundation receives notification the court has found the will of the donor's estate to be valid and all conditions have been substantially met.

Notes Receivable

Notes receivable are comprised of promissory notes contributed to the Foundation by donors and notes receivable initiated by the Foundation under its community impact loan program and its affordable housing pre-development loan programs. The Foundation measures impairment of notes receivable that are secured by underlying collateral based on the fair value of the underlying collateral. Interest on notes receivable is recognized over the term of the note and is calculated using the simple-interest method on principal outstanding. There was no interest and dividend income included in interest income earned on related party notes receivable for both the years ended March 31, 2024 and 2023.

Allowance for Credit Losses

The Foundation recognizes an allowance for credit losses for receivables to present the net amount expected to be collected as of the statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events, and future events based on expectations as of the statements of financial position date. Receivables are written off when the Foundation determines that such receivables are deemed uncollectible. The Foundation pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Foundation measures those receivables individually. The Foundation also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Foundation utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Foundation's historical loss experience. In determining its loss rates, the Foundation evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all of the following: past due receivables, changes in the terms of receivables, and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for uncollectible accounts based on its assessment of the status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for uncollectible accounts and a credit to receivables. For the year ended March 31, 2024, the Foundation recorded a present value discount on notes receivable of approximately \$4,600,000 and an allowance for uncollectible notes receivable of approximately \$10,000,000. For the year ended March 31, 2023, the Foundation recorded a present value discount on notes receivable of approximately \$5,500,000 and an allowance for uncollectible notes receivable of approximately \$9,000,000.

Investments

The Foundation reports investments in debt and equity securities that have readily determinable values at fair value. Certain investments without readily determinable fair values are measured at net asset value in accordance with the practical expedient available under Accounting Standards. Other assets held as investments are recorded at fair value at the dates they were donated and are periodically revalued through the use of a third-party appraiser or other appropriate valuation methods, including the market and income approaches. Changes in values are shown as unrealized gains or losses on the combined statements of activities.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Certain nonmarketable equity securities, including certain partnerships and closely held entities (that do not qualify for the net asset value practical expedient) are valued using the measurement alternative available under Accounting Standards. The Foundation adjusts the carrying value of these nonmarketable equity securities up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any. All gains and losses on nonmarketable equity securities, realized and unrealized, are recognized in the statements of activities as changes in net assets.

The Foundation's primary investment objective is to prudently manage charitable assets to achieve positive, long-term rates of return. To meet its objectives, the Foundation offers a variety of investment options (as follows) to serve donors' charitable goals and time horizons.

- Pooled investments consist of five distinct investment pools whose holdings are selected with the objective of seeking long-term capital appreciation, while achieving various degrees of liquidity, market volatility risks, and social impact objectives. Pooled investments are managed by third-party investment managers and are monitored by management and the Investment Committee of the Board of Directors.
- Brokered investments are managed by external money managers who are recommended by donors and who are independent of the Foundation and its donors. These managers agree to adhere to investment guidelines and policies prescribed by the Foundation.
- All other investments are managed on an individual basis to maximize preservation of the original gift value and liquidity.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying combined financial statements.

The Foundation invests in alternative investments, which include private equity funds, private debt funds, institutional funds and limited liability companies. Institutional funds are multi-strategy, comingled equity and bond funds. Private equity funds are comprised of investments in limited partnerships. These partnerships generally represent restricted investment securities whose values have been estimated based on net asset value.

Investment return or loss is included in the statements of activities and consist of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Property and Equipment

Purchased property and equipment are recorded at cost and donated property and equipment are recorded at fair value at the date of gift to the Foundation. Maintenance and repairs are charged to operations when incurred. Property and equipment additions in excess of \$5,000 are capitalized. Depreciation and amortization of property and equipment are computed on a straight-line basis over estimated useful lives of 5 to 7 years.

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded for the years ended March 31, 2024 and 2023.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Split-Interest Agreements

The Foundation has entered into several agreements for charitable gift annuities, charitable remainder trusts and charitable lead trusts. In some cases, the Foundation is the trustee and at other times, it holds a beneficial interest in the agreement. Under these agreements, the donor contributes assets into a trust in exchange for either regular distributions for a specified period of time to the donor or other beneficiaries, or a remainder interest at the end of the trust term. In either case, the Foundation is either a full or partial beneficiary of the alternate interest.

Irrevocable Charitable Remainder Trusts - Foundation as Trustee

Payments are made to the designated beneficiaries, over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use. Investments held in the charitable remainder trusts are reported at fair value. A liability is recognized at inception of the trust at the present value of the estimated payments to beneficiaries over the trust term, with the remainder value to the Foundation recognized as contributions with donor restrictions. The liability is revalued annually using present value techniques. Investment returns and liability changes are recognized in the combined statements of activities as change in split interest agreements. The present value of the estimated annuity payments for the charitable remainder trusts is calculated using a discount rate of 3% for both of the years ended March 31, 2024 and 2023, and the applicable Internal Revenue Service mortality tables.

Irrevocable Charitable Remainder Trusts - Third Party as Trustee

The Foundation has a beneficial interest in irrevocable charitable remainder trusts in which the Foundation is not the trustee. Under these agreements, the donor has established and funded trusts under which specified distributions are made to a designated beneficiary or beneficiaries over the trust terms. Upon termination of the trust, the Foundation receives the assets remaining in the trust. Beneficial interests in charitable remainder trusts are recorded at the fair value of the future distributions expected to be received at the end of the term of the agreement which is estimated using a present value discount method. The present value of the estimated future payments for the charitable remainder trusts (\$9,025,196 at March 31, 2024 and \$7,707,029 at March 31, 2023) is calculated using a discount rate of 3% for both of the years ended March 31, 2024 and 2023, and the applicable Internal Revenue Service mortality tables. These split interest agreements are presented as receivables in the accompanying statements of financial position, as the Foundation does not manage the underlying investments.

Charitable Lead Trusts

The Foundation is the named beneficiary in charitable lead trusts in which the Foundation is not the trustee. Under these agreements, the Foundation has recorded a receivable for the present value of the estimated cash flows from the trust, which has been estimated using a discount rate of 3%, for both of the years ended March 31, 2024 and 2023, and the applicable Internal Revenue Service mortality tables. These split interest agreements are also presented as receivables in the accompanying statements of financial position.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Charitable Gift Annuities

The Foundation currently administers charitable gift annuities that provide a periodic payment to the beneficiaries until the obligation is completed in accordance with the underlying agreement. The assets contributed under the charitable gift annuity agreements are recorded at fair value. Contribution revenues are recognized at the date the annuities are established net of liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. Present values are calculated using a risk-free discount rate determined at the time the annuities are established and the applicable Internal Revenue Service mortality tables. The liabilities are adjusted annually for the accretion of the discount, changes in rates, and other changes in the estimates of future benefits. The Foundation has insured a portion of these instruments in order to reduce the Foundation's risk and exposure. Accordingly, a portion of these agreements are administered by a third-party insurance company under a group annuity contract. The related liabilities for these agreements are offset in the accompanying statements of financial position by a group annuity contract, which reflects the estimate of the contract's benefit.

Leasing Activities

The Foundation recognizes the assets and liabilities arising from leases on the statements of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise the option. The Foundation does not separate lease and nonlease components for all asset classes when determining the measurement of the right-of-use assets and lease liabilities. When the rate implicit in the lease is not determinable, rather than use the Foundation's incremental borrowing rate, the Foundation uses a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all assets. In addition, the Foundation does not apply the recognition requirements to any leases with an original term of 12 months or less, for which the Foundation is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather short-term leases will continue to be recorded on a straight-line basis over the lease term.

Advertising

Advertising costs are charged to operations when incurred. Advertising expense charged to operations was \$167,660 and \$115,077 for the years ended March 31, 2024 and 2023, respectively.

Grants and Scholarships

Grants and scholarships are recorded when approved. In some instances, the recipient is required to meet certain conditions prior to receiving the funds. Recognition of the expense is delayed until such time as the condition is met. Certain grants and scholarships are not conditional but are scheduled to be paid in future years. Management has recorded these at face value, as it has been determined that the applicable discount is not material to the combined financial statements as a whole.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying combined statements of activities. Certain employee positions are allocated based on time and effort. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on personnel activity, including depreciation, occupancy and office expenses, and other appropriate allocation methods. Management and general expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Foundation. Fundraising expenses include those expenses related to the overall solicitation of contributions to the Foundation.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

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Income Tax Status

ACF and the Support Foundations qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, the "Code" and, accordingly, there is no provision for income taxes for these organizations. In addition, they qualify for the charitable contribution deduction under Section 170 of the Code and have been classified as organizations that are not private foundations. Income determined to be unrelated business taxable income (UBTI) would be taxable.

ACF and Support Foundations evaluate their uncertain tax positions, if any, on a continual basis through review of their policies and procedures, review of their regular tax filings, and discussions with outside experts. At March 31, 2024 and 2023, management believes ACF and Support Foundations did not have any uncertain tax positions.

Management's Use of Estimates

The preparation of combined 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 combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The valuation of certain investments and bequests receivable are determined to be significant estimates. Due to uncertainties in estimating these values, it is possible that the estimates could change in the near term.

Adoption of New Accounting Standard

In June 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. For financial instruments included in the scope, the CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The methodology replaces the multiple existing impairment methods in current accounting principles generally accepted in the United States of America, which generally require that a loss be incurred before it is recognized. On April 1, 2023, the Foundation adopted the ASU prospectively. The adoption of ASU No. 2016-13 had no impact on the combined financial statements for the year ended March 31, 2024.

Date of Management's Review

In preparing these combined financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 18, 2024, the date the combined financial statements were available to be issued.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

2. Liquidity

The Foundation regularly monitors liquidity required to meet its operating needs and grant obligations by evaluating the timing of sales and purchases of investments, contribution income received, and balances of cash and undesignated investments.

The following table reflects the Foundation's financial assets as of March 31, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, and endowments net of amounts available to spend within one year in accordance with the spending policy.

	2024	2023
Cash and cash equivalents	\$ 2,016,578	\$ 6,079,067
Receivables, net	47,347,297	37,487,965
Investments	1,384,420,679	1,291,050,669
Total financial assets	1,433,784,554	1,334,617,701
Amounts not available in the next year without restrictions:		
Loans, notes and bequest receivables after one year	(36,087,472)	(19,164,745)
Beneficial interests in split interest trusts	(8,976,280)	(7,760,129)
Investments held in trusts	(25,306,092)	(23,036,751)
Investments in real estate	(61,436,990)	(60,859,790)
Investments not convertible to cash within 12 months	(268,783,374)	(406,407,094)
Subtotal available for next year without restrictions	1,033,194,346	817,389,192
Not available due to restrictions:		
Agency funds held for others	(145,777,057)	(135,280,699)
Pooled investments held under charitable gift annuity agreements	(2,684,864)	(1,923,008)
Board designated endowment funds net of available to spend	(419,496,001)	(374,948,530)
Net of investments not convertible to cash within 12 months	268,783,374	406,407,094
Financial assets available to meet cash needs for expenditures within one year	\$ 734,019,798	\$ 711,644,049

3. Receivables

For the years ended March 31, receivables consisted of the following:

	2024	2023
Notes receivable, net	\$ 14,642,926	\$ 17,691,506
Bequests receivable	23,468,838	11,756,535
Beneficial interests in charitable remainder trusts	9,025,196	7,707,029
Charitable lead trusts	64,216	179,113
Other	146,121	153,782
Total	\$ 47,347,297	\$ 37,487,965

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Notes Receivable

Notes receivable are comprised of the following:

	2024	2023
Promissory Notes assigned to the Foundation:		
Note receivable, secured by a deed of trust, receivable in monthly installments of \$15,000 including interest at 2.00%; and a balloon payment of principal due upon maturity. In June 2020, the note was amended to include interest only payments of approximately \$4,600 through May 15, 2021 and monthly principal and interest payments of \$15,000 thereafter, with a balloon payment due May 31, 2023. In June 2023, the note was amended to extend the maturity to May 31, 2026, at which time, a balloon payment of principal is due.	\$ 2,381,535	\$ 2,512,480
Note receivable, unsecured, all principal and accrued interest at 5.00%; the note was due in May 2018 and was amended to extend the maturity date to May 2022. This note is past due.	25,000	25,000
Note receivable, secured by common stock of Moral Compass Corporation, receivable in annual interest only payments at 2.11%; the note was due in December 2023 and was amended to extend the maturity to December 2025.	2,000,000	2,000,000
Note receivable, secured by common stock of Moral Compass Corporation, receivable in annual interest only payments at 2.11%; the note was due in December 2023 and was amended to extend the maturity to December 2025.	2,000,000	2,000,000
Note receivable, secured by common stock of Moral Compass Corporation, receivable in annual interest only payments at 2.11%; the note was due in December 2023 and was amended to extend the maturity to December 2025.	2,000,000	2,000,000
Note receivable, secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, receivable in annual installments of principal and interest at 4.00%; the note is due in January 2035 with annual installments of approximately \$88,000 due and payable on December 31.	1,508,220	4,881,266
Note receivable, secured by a Deed of Trust, receivable in annual installments of principal and interest at 6.5%; with a balloon payment due in March 2028.	2,350,000	2,500,000
Note receivable, unsecured, receivable in annual interest only payments of \$150,000 at 1.21%; the note is due in full in July 2029.	12,368,266	12,368,266
Note receivable, secured by deed of trust, receivable in semi-annual interest only payments of approximately \$7,700 at 2.0%; The note is due in full in April 2027.	100,000	100,000

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

	2024	2023
Notes Receivable - Community Impact Loan:		
Notes receivable, receivable in monthly installments of \$12,694 including interest at 2.85%; the note was due in April 2023, and was paid in full during the year ended March 31, 2024.	\$ -	\$ 4,966
Note receivable, secured by real property, receivable in monthly installments of \$6,150 including interest at 4.00%; payment deferral granted from September 2019 through March 2024; the note is due in July 2025.	251,342	251,342
Note receivable, secured by real property, receivable in monthly installments of \$2,735, including interest at 4.00%; the note is due in March 2025, and was paid in full during the year ended March 31, 2024.	-	62,913
Note receivable, secured by deed of trust, receivable in monthly installments of \$2,639, including interest at 4.00%; the note is due in July 2023, and was paid in full during the year ended March 31, 2024.	-	443,725
Note receivable, secured by securities at Chase, receivable in monthly installments of \$5,315, including interest at 4.00%; the note is due in April 2029.	293,171	344,118
Note receivable, unsecured, receivable in monthly installments of \$5,596 including interest at 4.25%; the note is due in July 2025 and was paid in full during the year ended March 31, 2024.	-	23,541
Note receivable, unsecured, receivable in monthly installments of \$10,981 including interest at 3.50%; the note is due in December 2029.	685,410	791,176
Note receivable, unsecured, receivable in monthly installments of \$4,098 including interest at 4.25%; the note is due in August 2030.	274,844	311,484
Note receivable, unsecured, receivable in monthly installments of \$6,624 including interest at 4%; the note is due in September 2028.	243,640	469,693
Note receivable, unsecured, receivable in interest only payments until October 2024; monthly installments including interest at 4.25% starting in November 2024; the note is due in October 2030.	1,179,765	-
Notes Receivable - Affordable Housing Pre-Development Loan Program:		
Note receivable, no interest, receivable in bi-annual installments in the amount of \$7,500 on January 1 and July 1 until the loan is paid in full.	60,000	75,000
Note receivable, no interest, receivable in monthly installments of \$400 with a balloon payment due September 2027.	42,000	46,800

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Various notes receivable ranging in balances of \$100,000 to \$200,000, no interest, unsecured, maturing between May 2024 and December 2025.	\$ 1,400,000	\$ 1,000,000
Notes receivables before discount and allowance	29,163,193	32,211,770
Less discount on notes receivable	(4,584,143)	(5,468,668)
Less allowance on notes receivable	(9,936,124)	(9,051,596)
Total notes receivables	<u>\$ 14,642,926</u>	<u>\$ 17,691,506</u>

Scheduled collections on notes receivable at March 31, 2024 are as follows:

Years ending March 31:	
2025	\$ 2,024,294
2026	7,147,717
2027	2,570,004
2028	2,312,398
2029	321,040
Thereafter	14,787,740
Total	<u>\$ 29,163,193</u>

One note receivable comprised 42% of the total gross notes receivable as of March 31, 2024. Two notes receivable comprised 54% of the total gross notes receivables as of March 31, 2023.

Bequests Receivable

For the year ended March 31, 2024, bequests receivable included ten bequests, of which two accounted for 74% of the balance. For the year ended March 31, 2023, bequests receivable included nine bequests, of which two accounted for 76% of the balance.

Beneficial Interests in Charitable Remainder Trusts

For the year ended March 31, 2024, beneficial interests in charitable remainder trusts included thirteen charitable remainder trusts. For the year ended March 31, 2023, beneficial interests in charitable remainder trusts included ten charitable remainder trusts.

4. Investments

Investments consist of the following at March 31:

	<u>2024</u>	<u>2023</u>
Pooled investments	\$ 734,248,498	\$ 689,199,179
Brokered investments	531,137,120	484,555,010
Assets held under charitable remainder trusts	26,878,216	24,783,537
Partnerships and other closely-held equity	18,628,854	18,909,767
Real estate	61,436,990	60,859,790
Group annuity contract	479,978	516,766
Cash surrender value of life insurance	554,286	559,761
Other investments	11,056,737	11,666,859
Total	<u>\$ 1,384,420,679</u>	<u>\$ 1,291,050,669</u>

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The pooled investments include assets held to satisfy charitable gift annuities of \$2,684,864 and \$1,923,008 as of March 31, 2024 and 2023, respectively.

Pooled Investments

Pooled investments are comprised of the following at March 31, 2024:

	<u>Not Categorized</u>	<u>Level 1</u>	<u>Total</u>
Cash and cash equivalents	\$ 55,137,052	\$ -	\$ 55,137,052
Equities mutual funds:			
Small/mid cap funds	-	11,106,572	11,106,572
International funds	-	24,448,142	24,448,142
Equity index funds	-	175,862,682	175,862,682
Emerging markets funds	-	32,410,861	32,410,861
Real assets funds	-	15,497,534	15,497,534
Fixed income funds:			
Corporate bond funds	-	76,891,018	76,891,018
U.S. Treasuries and agency securities	-	13,551,703	13,551,703
Alternative investments:			
Mission related debt instruments	3,162,000	-	3,162,000
Real estate funds	7,361,832	-	7,361,832
Private debt funds	54,075,431	-	54,075,431
Private equity and hedge funds	147,512,611	-	147,512,611
Comingled trust funds	117,231,060	-	117,231,060
Total	\$ 384,479,986	\$ 349,768,512	\$ 734,248,498

Pooled investments are comprised of the following at March 31, 2023:

	<u>Not Categorized</u>	<u>Level 1</u>	<u>Total</u>
Cash and cash equivalents	\$ 55,455,974	\$ -	\$ 55,455,974
Equities mutual funds:			
Small/mid cap funds	-	9,863,402	9,863,402
International funds	-	31,697,840	31,697,840
Equity index funds	-	155,252,225	155,252,225
Emerging markets funds	-	30,571,295	30,571,295
Fixed income funds:			
Corporate bond funds	-	74,579,485	74,579,485
U.S. Treasuries and agency securities	-	20,299,485	20,299,485
Mission related debt instruments	2,362,000	-	2,362,000
Real estate funds	5,699,587	-	5,699,587
Private debt funds	59,892,491	-	59,892,491
Private equity and hedge funds	135,100,164	-	135,100,164
Comingled trust funds	108,425,231	-	108,425,231
Total	\$ 366,935,447	\$ 322,263,732	\$ 689,199,179

Certain amounts are not categorized within the fair value hierarchy table above as they are valued using net asset value per share as a practical expedient. These amounts are valued based on information provided by the fund manager.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

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Brokered Investments

Brokered investments are held in 160 investment accounts managed by various external money managers who adhere to investment guidelines and policies prescribed by the Foundation.

External managers' investment allocation is monitored by Foundation management and the Investment Committee, and is comprised of the following aggregated categories at March 31, 2024:

	Not Categorized	Level 1	Total
Cash and cash equivalents	\$ 22,031,859	\$ -	\$ 22,031,859
Equities and equities mutual funds:			
Real estate funds	-	21,954	21,954
Mutual funds and exchange traded funds	-	240,379,413	240,379,413
Equity holdings	-	114,785,140	114,785,140
Fixed income and fixed income funds:			
Corporate bond funds	-	89,263,762	89,263,762
Government bond funds	-	36,194,107	36,194,107
Alternative investments:			
Private equity, real estate and hedge funds	28,460,885	-	28,460,885
Total	<u>\$ 50,492,744</u>	<u>\$ 480,644,376</u>	<u>\$ 531,137,120</u>

External managers' investment allocation is monitored by Foundation management and the Investment Committee, and is comprised of the following aggregated categories at March 31, 2023:

	Not Categorized	Level 1	Total
Cash and cash equivalents	\$ 31,853,824	\$ -	\$ 31,853,824
Equities and equities mutual funds:			
Real estate funds	-	26,248	26,248
Mutual funds and exchange traded funds	-	222,966,095	222,966,095
Equity holdings	-	95,914,666	95,914,666
Fixed income and fixed income funds:			
Corporate bond funds	-	42,679,002	42,679,002
Government bond funds	-	25,838,119	25,838,119
Alternative investments:			
Private equity, real estate and hedge funds	65,277,056	-	65,277,056
Total	<u>\$ 97,130,880</u>	<u>\$ 387,424,130</u>	<u>\$ 484,555,010</u>

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

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Other Investments

Other investments are categorized as follows at March 31:

	2024		
	Value of Investment	Valuation Method	Fair Value Level
Assets held under charitable remainder trusts:			
Cash and cash equivalents	\$ 1,330,209	Fair value	NA
Government securities	4,197,013	Fair value	1
Equity mutual funds	10,150,871	Fair value	1
Corporate bond funds	2,123,646	Fair value	1
Equities	9,076,477	Fair value	1
Partnerships:			
Partnerships, alternative investments	7,182,617	Net asset value	NA
Real estate partnerships	4,160,755	Equity method	NA
Partnerships and other closely-held equity	7,285,482	Measurement alternative	NA
Real estate	61,436,990	Fair value	3
Group annuity contract	479,978	Fair value	3
Cash surrender value of life insurance	554,286	Fair value	3
Art objects	9,533,720	Fair value	3
Other investments	1,523,017	Fair value	3
Total	<u>\$ 119,035,061</u>		
	2023		
	Value of Investment	Valuation Method	Fair Value Level
Assets held under charitable remainder trusts:			
Cash and cash equivalents	\$ 1,010,172	Fair value	NA
Government securities	4,487,398	Fair value	1
Equity mutual funds	9,462,293	Fair value	1
Corporate bond funds	1,911,548	Fair value	1
Equities	7,912,126	Fair value	1
Partnerships:			
Partnerships, alternative investments	7,676,921	Net asset value	NA
Real estate partnerships	4,160,755	Equity method	NA
Partnerships and other closely-held equity	7,072,091	Measurement alternative	NA
Real estate	60,859,790	Fair value	3
Group annuity contract	516,766	Fair value	3
Cash surrender value of life insurance	559,761	Fair value	3
Art objects	9,533,720	Fair value	3
Other investments	2,133,139	Fair value	3
Total	<u>\$ 117,296,480</u>		

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Notes to Combined Financial Statements

March 31, 2024 and 2023

The following table summarizes the nature and risk of the investments measured at net asset value (NAV) as of March 31, 2024:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Privat Equity Fund of Funds	\$ 30,956,290	\$ 15,594,577	N/A	N/A
Private Equity Funds	68,109,590	32,843,590	N/A	N/A
Private Debt Funds	56,409,527	23,083,779	N/A	N/A
Private Real Estate Funds	7,361,833	6,413,785	N/A	N/A
Hedge Fund of Funds	81,756,136	-	Quarterly	100 days notice
Commingled Trust Fund 1	8,899,287	-	Monthly	5 days notice
Commingled Trust Fund 2	61,096,657	-	Daily	2 days notice
Commingled Trust Fund 3	8,275,774	-	Daily	2 days notice
Commingled Trust Fund 4	38,959,343	-	Daily	2 days notice
Total	\$ 361,824,437	\$ 77,935,731		

The following table summarizes the nature and risk of the investments measured at net asset value (NAV) as of March 31, 2023:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Privat Equity Fund of Funds	\$ 25,900,268	\$ 7,379,460	N/A	N/A
Private Equity Funds	65,963,437	25,765,437	N/A	N/A
Private Debt Funds	60,133,095	25,126,655	N/A	N/A
Private Real Estate Funds	6,513,793	8,760,619	N/A	N/A
Hedge Fund of Funds	75,670,217	-	Quarterly	100 days notice
Commingled Trust Fund 1	9,326,217	-	Monthly	10 days notice
Commingled Trust Fund 2	52,128,358	-	Daily	5 days notice
Commingled Trust Fund 3	8,067,437	-	Daily	2 days notice
Commingled Trust Fund 4	38,903,218	-	Daily	2 days notice
Commingled Trust Fund 5	39,465,410	-	Daily	40 days notice
Total	\$ 382,071,450	\$ 67,032,171		

The amounts above marked "n/a" for the redemption notice period cannot be redeemed. The Foundation receives distributions through the liquidation of the underlying assets. The period of time over which the underlying assets are expected to be liquidated is unknown.

Private Equity Fund of Funds

This category includes limited partnership investments in funds that each invest in a diversified portfolio of underlying private equity funds, either directly or on the secondary market. Underlying strategies may include leveraged buyout funds, venture capital funds, growth capital funds, distressed investments and/or mezzanine investments. While the managers will make distributions over the life of the funds as exit opportunities arise, these investments are illiquid and redemptions are not permitted.

Private Equity Funds

This category includes limited partnership investments made directly in funds that make leveraged buyout or growth equity investments in companies across a variety of market capitalization sizes, geographies, sectors and industries. While the managers will make distributions over the life of the funds as exit opportunities arise, these investments are illiquid and redemptions are not permitted.

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Private Debt Funds

This category includes limited partnership investments made directly in funds that make loans to companies across a variety of market capitalization sizes, geographies, sectors and industries. The funds are primarily focused on senior secured and unitranche loans, but may also include subordinated or mezzanine debt. While the managers will make distributions over the life of the funds as exit opportunities arise, these investments are illiquid and redemptions are not permitted.

Private Real Estate Funds

This category includes limited partnership investments made directly in funds that make real estate investments across a variety of property types, geographies and sectors. The funds are primarily focused on value add and opportunistic strategies. While the managers will make distributions over the life of the funds as exit opportunities arise, these investments are illiquid and redemptions are not permitted.

Hedge Fund of Funds

This category includes an investment in a private fund that invests in a diversified portfolio of underlying hedge funds across a variety of strategies including long/short equity, long/short credit, relative value, event driven and opportunistic strategies. The fund's objective is to attempt to produce consistent capital appreciation with controlled volatility and reduced risk of major drawdowns.

Commingled Trust Fund 1

This fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of publicly traded, non U.S. equity securities of high-quality companies that are selected with regard for both financial and sustainability criteria.

Commingled Trust Fund 2

This fund invests primarily in publicly traded non US equity securities. The investment objective of this fund is to approximate, as closely as possible, the risk and return characteristics of the MSCI EAFE Index.

Commingled Trust Fund 3

This fund invests at least 70% of its assets in investment grade debt and fixed income securities rated at the time of purchase at last Baa3 or BBB-. The investment objective of the fund is to maximize long-term total return, consistent with prudent investment management.

Commingled Trust Fund 4

This fund invests all or substantially all of its assets in Dollar-denominated investment grade debt and fixed income securities rated at the time of purchase at last Baa3 or BBB-. The investment objective of the fund is to maximize long-term total return, consistent with prudent investment management.

Commingled Trust Fund 5

This fund seeks to provide an investment return which exceeds the Secured Overnight Financing Rate (SOFR) while aiming to preserve capital. The fund invests in reverse repurchase agreements and securities borrowing agreements, under which the Fund lends money to and obtains collateral from its institutional counterparties.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

5. Level 3 Fair Value Measurements

The table below presents the change in fair value measurements that used Level 3 inputs during the year ended March 31, 2024:

	Receivables From Charitable Lead Trusts, and Beneficial Interest in Trusts	Real Estate Held for Investment	Investments in Cash Surrender Value of Life Insurance, Group Annuity Contract, and Other Level 3	Total
Balance, March 31, 2023	\$ 7,886,142	\$ 60,859,790	\$ 12,743,387	\$ 81,489,319
Change in value of split-interest agreements	450,885	-	(36,788)	414,097
Purchase and contributions	1,208,128	-	147,242	1,355,370
Sales	(455,743)	-	(540,588)	(996,331)
Realized/unrealized gains (losses)	-	577,200	(222,252)	354,948
Balance, March 31, 2024	<u>\$ 9,089,412</u>	<u>\$ 61,436,990</u>	<u>\$ 12,091,001</u>	<u>\$ 82,617,403</u>

The table below presents the change in fair value measurements that used Level 3 inputs during the year ended March 31, 2023:

	Receivables From Charitable Lead Trusts, and Beneficial Interest in Trusts	Real Estate Held for Investment	Investments in Cash Surrender Value of Life Insurance, Group Annuity Contract, and Other Level 3	Total
Balance, March 31, 2022	\$ 8,582,311	\$ 61,575,300	\$ 8,377,555	\$ 78,535,166
Change in value of split-interest agreements	(570,156)	-	(308,439)	(878,595)
Purchase and contributions	-	7,020,000	5,789,307	12,809,307
Sales	(126,013)	(3,315,958)	(617,809)	(4,059,780)
Realized/unrealized gains (losses)	-	(4,419,552)	(497,227)	(4,916,779)
Balance, March 31, 2023	<u>\$ 7,886,142</u>	<u>\$ 60,859,790</u>	<u>\$ 12,743,387</u>	<u>\$ 81,489,319</u>

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

6. Present Value of Annuity Liabilities

The liability for annuity payments due under charitable remainder trusts and charitable gift annuities is valued using present value techniques, and includes the following activity for the years ended March 31, 2024 and 2023:

	Charitable Remainder Trusts	Charitable Gift Annuities	Total
Balance, March 31, 2022	\$ 14,427,491	\$ 1,668,453	\$ 16,095,944
Annuity payments	(1,746,786)	(129,046)	(684,781)
Revaluation of liability	(488,474)	(196,307)	-
Balance, March 31, 2023	12,192,231	1,343,100	15,411,163
New gifts	-	245,057	(1,701,426)
Annuity payments	(1,572,124)	(129,302)	2,884,366
Revaluation of liability	2,758,199	126,167	-
Balance, March 31, 2024	<u>\$ 13,378,306</u>	<u>\$ 1,585,022</u>	<u>\$ 16,594,103</u>

7. Property and Equipment

Property and equipment consists of:

	2024	2023
Cost:		
Furniture, fixtures and equipment	\$ 1,549,868	\$ 1,509,424
Leasehold improvements	540,652	540,651
Art objects	5,700	5,700
Total cost	2,096,220	2,055,775
Accumulated depreciation and amortization	(1,362,021)	(1,030,478)
Net property and equipment	<u>\$ 734,199</u>	<u>\$ 1,025,297</u>

Depreciation and amortization expense charged to operations was \$332,084 and \$377,594 for the years ended March 31, 2024 and 2023, respectively.

8. Grants Payable

Grant expense is recorded in the time period the grant is authorized. Grants to be paid in more than one year are discounted to present value using current rates. The following is a summary of grants authorized and payable at March 31:

	2024	2023
Grants payable to be paid in less than one year	\$ 15,387,885	\$ 12,097,760
Grants payable to be paid in one to five years	13,588,500	14,789,675
Net grants authorized but unpaid	<u>\$ 28,976,385</u>	<u>\$ 26,887,435</u>

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

9. Agency Funds

Accounting Standards establish standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. If a not-for-profit organization (NPO) establishes a fund at the Foundation with its own funds and specifies itself as the beneficiary of that fund, the Foundation accounts for the transfer of such assets as a liability. The Foundation refers to such funds as agency funds.

Included within agency funds are amounts held for loan guarantee programs in support of the Arizona Loans for Assistive Technology Program. The funds are held on behalf of Northern Arizona University and can only be used with their authorization.

The Foundation maintains variance power and legal ownership of agency funds and as such continues to report the funds as cash and investments of the Foundation. However, a liability has also been recorded in an amount equivalent to the value of the assets. Both the liability and the assets are measured at fair value. The liability is classified as a Level 2 fair value instrument.

The activity for the agency funds is summarized as follows:

	2024	2023
Agency funds, beginning of year	\$ 135,280,699	\$ 138,451,760
Contributions and additions	10,024,611	27,938,359
Investment income	2,396,392	2,552,322
Realized and unrealized investment gains (losses)	12,251,762	(7,879,932)
Withdrawal of funds	(13,161,434)	(24,830,059)
Administration and investment fees	(1,014,973)	(951,751)
Agency funds, end of year	<u>\$ 145,777,057</u>	<u>\$ 135,280,699</u>

10. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of:

	2024	2023
Time restricted:		
Charitable remainder trusts (net of liability)	\$ 13,499,910	\$ 12,591,305
Beneficial interest in charitable remainder trusts	9,025,196	7,707,030
Charitable lead trusts	64,216	179,113
	<u>\$ 22,589,322</u>	<u>\$ 20,477,448</u>

Charitable remainder trusts are presented net of present value of annuity payments related to charitable remainder trusts and beneficial interest in charitable remainder trusts are considered restricted due to timing of when the promise to give will be collected and when the beneficial interest in the trusts will be received by the Foundation. Releases from restriction consist entirely of releases due to the passage of timing restrictions.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

11. Endowments

The Foundation's endowments consist of approximately 915 component funds established by donors for a variety of purposes. The bylaws of the Foundation include variance language giving the Board of Directors the power, whenever any restriction or condition on the distribution of funds becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable purpose of the Foundation, to modify any restriction or condition placed on the distribution of funds and to apply the whole or any part of the principal or income of funds as in its judgment is necessary to serve more effectively the charitable purpose of the Foundation. Based on this provision, all contributions and assets not classified as net assets with donor restrictions due to timing restrictions are classified as net assets without donor restrictions. Though these funds are classified as net assets without donor restrictions, the Foundation manages the funds established by donors as endowed funds in accordance with the terms set forth in the individual fund agreements by designation of the Board of Directors.

As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In September 2008, the State of Arizona enacted ARS§10-11801 et seq Management of Charitable Funds Act (MCFA). The Board of Directors of the Foundation has interpreted MCFA 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. At March 31, 2024, the Foundation had no donor-restricted endowment funds, other than those reported as restricted until the expiration of time restrictions, as the Board has determined that the Foundation's endowments do not meet the definition of donor-restricted endowments under MCFA.

The Foundation has adopted investment and spending policies for endowment assets that seek to provide a predictable stream of funding to programs supported by its endowments while maintaining the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. Actual returns in any given year may vary from this amount.

To achieve its investment objectives over long periods of time, the Foundation has adopted an investment strategy that invests in domestic and international equities, fixed income, and alternative asset (private equity, hedge funds, etc.) strategies. The majority of assets are invested in equity or equity-like securities. Fixed income and alternative assets are used to lower short-term volatility.

Diversification by asset class, investment style, investment manager, etc. is employed to avoid undue concentration risk and enhance total return. The primary performance objective is to achieve an annualized total rate of return, net of investment fees, that is equal to or greater than 6% plus inflation over long periods of time.

The spending policy determines the amount of money in a given year that will be distributed from the Foundation's various endowment assets, which includes donor advised, agency, designated, scholarship, field of interest and unrestricted funds. The spending policy effective for the years ended March 31, 2024 and 2023 was to distribute an amount equal to approximately 4.25% of the previous 12 quarter average balance of each funds' liquid assets. Based on the spending policy, over the long term, the Foundation expects its endowment assets to grow at the rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment returns.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

The endowment net assets composition by type of fund as of March 31, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 13,499,910	\$ 13,499,910
Board-designated endowment funds	438,061,401	-	438,061,401
Total funds	<u>\$ 438,061,401</u>	<u>\$ 13,499,910</u>	<u>\$ 451,561,311</u>

The change in endowment net assets for the year ended March 31, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2023	\$ 392,746,229	\$ 12,591,305	\$ 405,337,534
Contributions	16,649,350	-	16,649,350
Investment return	51,063,492	-	51,063,492
Change in value of charitable remainder trusts	-	908,605	908,605
Appropriation of endowment assets for expenditure	(22,397,670)	-	(22,397,670)
Endowment net assets, March 31, 2024	<u>\$ 438,061,401</u>	<u>\$ 13,499,910</u>	<u>\$ 451,561,311</u>

The endowment net assets composition by type of fund as of March 31, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 12,591,305	\$ 12,591,305
Board-designated endowment funds	392,746,229	-	392,746,229
Total funds	<u>\$ 392,746,229</u>	<u>\$ 12,591,305</u>	<u>\$ 405,337,534</u>

The change in endowment net assets for the year ended March 31, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2022	\$ 408,934,817	\$ 14,736,282	\$ 423,671,099
Contributions	22,674,964	-	22,674,964
Investment return	(15,461,031)	-	(15,461,031)
Change in value of charitable remainder trusts	-	(1,607,897)	(1,607,897)
Appropriation of endowment assets for expenditure	(23,402,521)	(537,080)	(23,939,601)
Endowment net assets, March 31, 2023	<u>\$ 392,746,229</u>	<u>\$ 12,591,305</u>	<u>\$ 405,337,534</u>

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

12. Leases

The Foundation leases office equipment and office space under operating lease agreements with terms expiring in various years through 2028. The agreements require monthly payments ranging from approximately \$566 to \$76,063. Certain leases contain escalation, abatement and tenant improvement allowance provision.

Right-of-use assets represent the Foundation's right to use an underlying asset for the lease term, while lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Foundation's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Foundation's sole discretion. The Foundation regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Foundation includes such options in the lease term. Additionally, upon adoption of the new standard, the Foundation made judgments regarding lease terms for certain of its real property leases that contained auto-renewal clauses. The Foundation estimated a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Foundation uses the rate implicit in the lease, or if not readily available, the Foundation uses a risk-free rate based on U.S. Treasury note or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Foundation's long-lived asset policy. The Foundation reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment.

The Foundation made significant assumptions and judgments relating to recording leases as follows:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Foundation obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determined whether contracts contain embedded leases.

The Foundation does not have any material leasing transactions with any related parties.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities as of March 31:

	2024	2023
Operating lease right-of-use assets	\$ 2,715,142	\$ 3,486,301
Operating lease liabilities:		
Current	\$ 881,713	\$ 894,028
Long-term	1,918,982	2,717,789
Total operating lease liabilities	\$ 2,800,695	\$ 3,611,817

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

Below is a summary of expense incurred pertaining to leases during the year ended March 31:

	2024	2023
Operating lease expense	\$ 972,306	\$ 950,324
Short-term lease expense	-	44,981
Total operating lease expense	<u>\$ 972,306</u>	<u>\$ 995,305</u>

The right-of-use assets and lease liabilities were calculated using a weighted-average discount rate of 2.61%. As of March 31, 2024 and 2023, the weighted-average remaining lease term was 3.06 years and 4.04 years.

The table below summarizes the Foundation's approximate future minimum lease payments for years ending after March 31, 2024:

Years ending March 31:	
2025	\$ 944,413
2026	890,615
2027	934,465
2028	<u>152,126</u>
Total lease payments	2,921,619
Less present value discount	<u>(120,924)</u>
Total lease liabilities	2,800,695
Less current portion	<u>(881,713)</u>
Long-term lease liabilities	<u>\$ 1,918,982</u>

The following table includes supplemental cash flow and noncash information related to the leases for the year ended March 31:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 1,000,414</u>	<u>\$ 941,461</u>
Operating lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 104,015</u>	<u>\$ 136,377</u>

13. Retirement Plans

ACF sponsors a 403(b) retirement plan, which covers substantially all employees after specified periods of service and certain eligibility requirements have been met. ACF contributes 6% of the eligible employees' annual compensation after the employee's first year of employment. ACF made contributions to the plan of \$396,506 and \$401,696 for the years ended March 31, 2024 and 2023, respectively.

Effective January 1, 2021, ACF established a 457(b) retirement plan, which covers highly compensated employees. The plan allows for salary deferrals, employer matching and employer contributions. There were no employer contributions for the years ended March 31, 2024 and 2023.

The Arizona Community Foundation, Inc. and Support Foundations

Notes to Combined Financial Statements

March 31, 2024 and 2023

The Rodel Charitable Foundation-AZ (Rodel)

Rodel sponsors a 401(k) retirement plan, which covers substantially all its employees who meet specified age and service requirements. An employee may contribute funds to the plan up to IRS limits and Rodel matches 100% of the employee's contributions up to 15% of the employee's compensation. There were no matching contributions to the plan for the year ended March 31, 2024. Rodel's matching contributions to the plan for the year ended March 31, 2023 was \$33,246. The plan also includes a provision for Rodel to make discretionary contributions to the plan. There were no discretionary contributions made during the years ended March 31, 2024 and 2023.

14. Line of Credit

Effective March 2016, the Foundation entered into an unsecured line of credit agreement with Bank of America. The line has a maximum borrowing limit of \$2,600,000. Upon maturity, all unpaid interest and principal are due. Interest is charged at LIBOR plus 2.5% (7.94% as of March 31, 2024) and payable monthly. There were no amounts outstanding on the line of credit as of March 31, 2024 and 2023. There are certain financial and nonfinancial covenants required by the bank.

15. Contributed Nonfinancial Assets

Contributed nonfinancial assets are as follows for the years ended March 31:

Nonfinancial Asset	Revenue Recognized as of March 31, 2024	Revenue Recognized as of March 31, 2023	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Art objects	\$ -	\$ 5,248,720	Investments	None, but subject to lease restrictions	Based on fair value provided by professional appraiser operating in the greater Los Angeles metropolitan area

The Arizona Community Foundation, Inc. and Support Foundations

Combining Statement of Financial Position

March 31, 2024

	Arizona Community Foundation	Support Foundations	Eliminations and Reclassifications	Combined
Assets				
Cash and cash equivalents	\$ 2,227,950	\$ (211,372)	\$ -	\$ 2,016,578
Prepaid expenses and other assets	268,231	-	-	268,231
Receivables, net	41,107,544	7,239,753	(1,000,000)	47,347,297
Investments	1,065,210,540	319,210,139	-	1,384,420,679
Property and equipment, net	734,199	-	-	734,199
Operating lease right-of-use assets	2,715,142	-	-	2,715,142
Total assets	<u>\$ 1,112,263,606</u>	<u>\$ 326,238,520</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,437,502,126</u>
Liabilities				
Accounts payable and accrued expenses	\$ 2,221,563	\$ 86,428	\$ (1,000,000)	\$ 1,307,991
Grants payable	22,133,455	6,842,930	-	28,976,385
Operating lease liabilities	2,800,695	-	-	2,800,695
Present value of annuity liabilities	14,963,328	-	-	14,963,328
Agency funds and funds held for others	145,777,057	-	-	145,777,057
Total liabilities	187,896,098	6,929,358	(1,000,000)	193,825,456
Net Assets	<u>924,367,508</u>	<u>319,309,162</u>	<u>-</u>	<u>1,243,676,670</u>
Total liabilities and net assets	<u>\$ 1,112,263,606</u>	<u>\$ 326,238,520</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,437,502,126</u>

The Arizona Community Foundation, Inc. and Support Foundations

Combining Statement of Activities

Year Ended March 31, 2024

	Arizona Community Foundation	Support Foundations	Eliminations and Reclassifications	Combined
Contributions, Revenues and Other Support				
Contributions	\$ 71,440,920	\$ 275,749	\$ (1,389,433)	\$ 70,327,236
Investment income	95,442,253	28,504,803	-	123,947,056
Interest from notes receivables	377,999	575,047	-	953,046
Change in split interest agreements	1,197,388	-	-	1,197,388
Administrative and trustee fee revenues	3,039,279	-	(1,797,369)	1,241,910
Interfund gifts	-	-	-	-
Rental income	503,540	723,086	-	1,226,626
Other income	203,074	-	-	203,074
Total contributions, revenues and other support	172,204,453	30,078,685	(3,186,802)	199,096,336
Expenses				
Program expenses:				
Grants and scholarships	73,444,182	21,334,849	(1,389,433)	93,389,598
Other program expenses	12,029,249	358,607	-	12,387,856
Total program expenses	85,473,431	21,693,456	(1,389,433)	105,777,454
Management and general	5,054,988	2,188,087	(1,797,369)	5,445,706
Fundraising	2,995,824	90,328	-	3,086,152
Total expenses	93,524,243	23,971,871	(3,186,802)	114,309,312
Change in net assets	\$ 78,680,210	\$ 6,106,814	\$ -	\$ 84,787,024