Financial Reports

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS

COMBINED FINANCIAL STATEMENTS

Year Ended March 31, 2022

Henry+Horne

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
THE ARIZONA COMMUNITY FOUNDATION, INC.
and SUPPORT FOUNDATIONS
Phoenix, Arizona

Opinion

We have audited the accompanying combined financial statements of The Arizona Community Foundation, Inc. and Support Foundations, which comprise the combined statements of financial position as of March 31, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Arizona Community Foundation, Inc. and Support Foundations as of March 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Arizona Community Foundation, Inc. and Support Foundations 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 Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Arizona Community Foundation, Inc. and Support Foundations' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 Arizona Community Foundation, Inc. and Support Foundations' 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 Arizona Community Foundation, Inc. and Support Foundations' 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.

Henry + Horne, LLP

Tempe, Arizona
October 14, 2022

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
COMBINED STATEMENTS OF FINANCIAL POSITION
March 31, 2022 and 2021

	2022	2021
ASSETS		
CASH AND CASH EQUIVALENTS	$ 11,675,240	$ 4,981,316
PREPAID EXPENSES AND OTHER ASSETS	309,023	431,934
RECEIVABLES, net	41,866,669	34,847,434
INVESTMENTS	1,360,835,049	1,114,242,415
PROPERTY AND EQUIPMENT, net	1,101,185	1,140,861
TOTAL ASSETS	$ 1,415,787,166	$ 1,155,643,960
LIABILITIES AND NET ASSETS		
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 1,634,834	$ 932,470
GRANTS PAYABLE	24,343,841	9,648,658
PRESENT VALUE OF ANNUITY PAYMENTS		
Charitable remainder trusts	14,427,491	14,968,712
Charitable gift annuities	1,668,453	1,621,854
TOTAL PRESENT VALUE OF ANNUITY PAYMENTS	16,095,944	16,590,566
RENT ACCRUED UNDER NON-LEVEL LEASES	66,921	67,893
NOTE PAYABLE	1,710,812	2,574,775
AGENCY FUNDS AND FUNDS HELD FOR OTHERS	138,451,760	128,273,611
TOTAL LIABILITIES	182,304,112	158,087,973
NET ASSETS		
Without donor restrictions	1,210,164,459	973,938,863
With donor restrictions	23,318,595	23,617,124
TOTAL NET ASSETS	1,233,483,054	997,555,987
TOTAL LIABILITIES AND NET ASSETS	$ 1,415,787,166	$ 1,155,643,960

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
COMBINED STATEMENTS OF ACTIVITIES
Year Ended March 31, 2022
(with comparative totals for the year ended March 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals 2022	Totals 2021
CONTRIBUTIONS, REVENUES AND OTHER SUPPORT				
Contributions	$ 287,641,601	$ 332,632	$ 287,974,233	$ 72,906,359
Investment income (loss)	52,633,736	-	52,633,736	231,102,273
Interest from notes receivables	671,337	-	671,337	650,879
Change in split interest agreements	71,014	297,905	368,919	5,916,553
Administrative and trustee fee revenues	2,327,754	-	2,327,754	3,634,719
Rental income	3,923,848	-	3,923,848	689,117
Other income (charges)	652,400	-	652,400	1,519,070
Total contributions, revenues and other support before net assets released from restrictions	347,921,690	630,537	348,552,227	316,418,970
Net assets released from restrictions:				
Charitable trusts	929,066	(929,066)	-	-
TOTAL CONTRIBUTIONS, REVENUES AND OTHER SUPPORT	348,850,756	(298,529)	348,552,227	316,418,970
EXPENSES				
Program expenses:				
Grants and scholarships	92,160,996	-	92,160,996	88,477,712
Other program expenses	12,740,261	-	12,740,261	10,296,364
Total program expenses	104,901,257	-	104,901,257	98,774,076
Management and general	4,782,008	-	4,782,008	4,038,926
Fundraising	2,941,895	-	2,941,895	2,605,867
TOTAL EXPENSES	112,625,160	-	112,625,160	105,418,869
CHANGE IN NET ASSETS	236,225,596	(298,529)	235,927,067	211,000,101
NET ASSETS, BEGINNING OF YEAR	973,938,863	23,617,124	997,555,987	786,555,886
NET ASSETS, END OF YEAR	$ 1,210,164,459	$ 23,318,595	$ 1,233,483,054	$ 997,555,987

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2022

	Program Services	Management and General	Fundraising	Total
Grants & Scholarships	$ 92,160,996	$ -	$ -	$ 92,160,996
Salaries & Wages	3,890,263	2,319,195	1,271,817	7,481,275
Retirement Plan Contributions	211,569	126,128	69,167	406,864
Other Employee Benefits	338,856	202,010	110,780	651,646
Payroll Taxes	252,656	150,622	82,599	485,877
Advertising and Promotion	544,328	75,102	71,109	690,539
Depreciation	171,807	102,424	56,168	330,399
Dues, Subscriptions & Publications	119,402	71,182	39,035	229,619
Event Expenses	10,000	-	530,972	540,972
General Program Expenses	540,185	-	-	540,185
Information Technology	460,518	274,540	150,554	885,612
Insurance	73,195	43,636	23,929	140,760
Interest	53,358	-	-	53,358
Occupancy	465,461	277,487	152,170	895,118
Office Expenses	190,304	140,960	62,215	393,479
Other Expenses	185,607	336,568	44,299	566,474
Professional Services	5,177,340	629,120	258,965	6,065,425
Travel	55,412	33,034	18,116	106,562
Total	$ 104,901,257	$ 4,782,008	$ 2,941,895	$ 112,625,160

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2021

	Program Services	Management and General	Fundraising	Total
Grants & Scholarships	$ 88,477,712	$ -	$ -	$ 88,477,712
Salaries & Wages	3,600,886	1,938,939	1,384,956	6,924,781
Retirement Plan Contributions	209,105	112,595	80,425	402,125
Other Employee Benefits	321,492	173,111	123,651	618,254
Payroll Taxes	241,008	129,773	92,695	463,476
Advertising and Promotion	273,831	39,383	60,224	373,438
Depreciation	135,364	72,888	52,063	260,315
Dues, Subscriptions & Publications	106,136	57,150	40,822	204,108
Event Expenses	17,594	-	58,436	76,030
General Program Expenses	480,274	-	-	480,274
Information Technology	439,018	236,394	168,853	844,265
Insurance	59,818	32,210	23,007	115,035
Interest	138,429	-	-	138,429
Occupancy	434,043	233,715	166,939	834,697
Office Expenses	151,710	72,187	58,350	282,247
Other Expenses	61,345	397,803	93,914	553,062
Professional Services	3,607,600	532,703	194,335	4,334,638
Travel	18,711	10,075	7,197	35,983
Total	$ 98,774,076	$ 4,038,926	$ 2,605,867	$ 105,418,869

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
COMBINED STATEMENTS OF CASH FLOWS
Years Ended March 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 235,927,067	$ 211,000,101
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Donated investments	(135,923,545)	(16,635,469)
Realized/unrealized investment (gains) losses	(34,937,913)	(226,174,744)
Debt forgiveness	-	(1,138,062)
Change in split interest agreements and present value of annuity payments, net	(494,622)	3,656,751
Depreciation and amortization	330,399	260,316
Loss on disposal of property and equipment	29,855	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(6,897,389)	(3,297,904)
Prepaid expenses and other assets	122,911	(218,121)
Increase (decrease) in:		
Accounts payable and accrued expenses	702,364	193,734
Grants payable	14,695,183	2,404,665
Deferred rent	(972)	(77,218)
Agency funds	6,383,400	13,986,145
Net cash provided by (used in) operating activities	79,936,738	(16,039,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	372,025,082	294,147,395
Collections on notes receivable	1,668,254	4,293,498
Purchases of investments	(425,827,530)	(263,533,401)
Interest and dividends reinvested	(18,133,979)	(15,791,258)
Issuance of notes receivable	(1,790,100)	(2,595,008)
Purchases of property and equipment	(320,578)	(253,045)
Net cash provided by (used in) investing activities	(72,378,851)	16,268,181
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on programmatic revolving loans	-	62,500
Payments on note payable	(863,963)	(212,500)
Borrowings on short-term debt	-	1,187,837
Payments on long-term debt	-	(369,064)
Net cash provided by (used in) financing activities	(863,963)	668,773
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,693,924	897,148
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,981,316	4,084,168
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 11,675,240	$ 4,981,316
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES		
Realized/unrealized gains (losses) on agency fund investments	$ 3,794,749	$ 21,865,752
Donated art objects	$ 2,822,000	$ 2,550,000
Donated real estate investments	$ 158,760,763	$ 14,085,469

(1) Foundations' Operations and Summary of Significant Accounting Policies

Nature of operations – ***The Arizona Community Foundation, Inc.*** (the Foundation) 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*** ("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
- Armstrong Family Foundation
- Arizona Foundation for Women
- Burton Family Foundation
- Ellis Center for Educational Excellence
- Evans Charitable Foundation
- First Baptist Church of Phoenix Foundation
- Sam & Peggy Grossman Family Foundation
- R. S. Hoyt Jr. Family Foundation
- Ingebritson Family Foundation
- Molly Lawson Foundation
- Lippincott Family Foundation
- Lodestar Charitable 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
- Jane Starke Boyd and Alexander Boyd AZ Charitable Foundation
- Vogel Charitable Foundation
- WAZE Foundation
- Wellik Foundation and Subsidiary
- Robert J. Wick Family Foundation
- Walter M. Wick Family Foundation

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

During the fiscal year ended March 31, 2018, WAZE Foundation and Vogel Charitable Foundation disposed of essentially all of their assets, but they continue to exist as separate legal entities.

During the fiscal year ended March 31, 2021, the Armstrong Family Foundation, Ingebritson Family Foundation and Jane Stark Boyd and Alexander Boyd AZ Charitable Foundation dissolved operations.

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

The Financial Accounting Standards Board ("FASB") sets accounting principles generally accepted in the United States of America ("GAAP") to ensure consistent reporting. References to GAAP are to the *FASB Accounting Standards Codification*.

Combined financial statements – The Foundation has an economic interest in and control over the Support Foundations. The combined financial statements include the accounts of the Foundation 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.

Basis of presentation – The accompanying combined financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements.* Under FASB ASC 958-205, 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.

(1) <u>Foundations' Operations and Summary of Significant Accounting Policies</u> (Continued)

Contributions –Contributions are recorded without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. One donor comprised 48% of total contributions for the year ended March 31, 2022. One donor comprised 15% of total contributions for the year ended March 31, 2021.

The Foundation applies the provisions of FASB issued Accounting Standards Update (ASU) No. 2018-08, *Not-For-Profit Entities-Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, in determining when contributions received and contributions made should be classified as contributions or as exchange transactions, or whether conditionality is present.

Donated assets – Assets and other non-cash items donated to the Foundation are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding the timing or purpose of their use and contributions of cash that must be used to acquire long lived assets are reported as contributions with donor restrictions. The Foundation records donations of property and equipment that are not restricted as to their use by the donor as contributions without donor restrictions.

Prior year summarized information – The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's combined financial statements for the year ended March 31, 2021.

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 is determined to be a significant estimate. Due to uncertainties in estimating these values, it is possible that the estimates could change in the near term.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Fair value measurements – FASB ASC 820, *Fair Value Measurements*, establishes a common definition for fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. 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. FASB ASC 820 establishes a hierarchy for ranking 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 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.

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 – measurement alternative
Life insurance policies	Valued at cash surrender value
Alternative investments	Valued using net asset value of the shares held at year-end as the practical expedient for fair value
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 non-controlling 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.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents – For purposes of the combined statement of cash flows, cash and cash equivalents include liquid accounts with original maturities of three months or less 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 initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is 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.

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.

Investments – The Foundation accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt Securities*, FASB ASC 958-321, *Not-for-Profit Entities – Investments – Equity Securities,* and FASB ASC 958-325, *Not-for-Profit Entities – Investments – Other*. Under ASC 958-320 and ASC 958-321, the Foundation is required to report at fair value all investments in debt and equity securities that have readily determinable fair values. Certain investments without readily determinable fair values are measured at net asset value in accordance with the practical expedient available under ASC 321. Under FASB ASC 958-325, 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 statement of activities. Certain non-marketable 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 ASC 958-321. The Foundation adjusts the carrying value of these non-marketable 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 non-marketable equity securities, realized and unrealized, are recognized in the statement of activities as changes in net assets.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Investments (Continued) - 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 to serve donors' charitable goals and time horizons.

- Pooled investments consist of five distinct investment pools whose holdings are selected in order to seek 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 as per the practical expedient under ASC 321-10.

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 valued 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. Generally, 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.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Impairment of long-lived assets – The Foundation accounts for long-lived assets in accordance with the provisions of FASB ASC 360, *Property, Plant, and Equipment.* FASB ASC 360 requires that long-lived assets be reviewed 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, 2022 and 2021.

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 statement of activities as a change in split interest agreements. The present value of the estimated annuity payments for the charitable remainder trusts ($14,427,491 at March 31, 2022 and $14,968,712 at March 31, 2021) is calculated using discount rates of 2.3% and 2.0% for the years ended March 31, 2022 and 2021, respectively, and the applicable Internal Revenue Service mortality tables.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Split interest agreements (Continued)

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 over 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 ($8,279,535 at March 31, 2022 and $8,288,086 at March 31, 2021) is calculated using discount rates of 2.3% and 2.0% for the years ended March 31, 2022 and 2021, respectively, and the applicable Internal Revenue Service mortality tables. These split interest agreements are presented as receivables in the accompanying statement 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 discount rates of 2.3% and 2.41%, for the years ended March 31, 2022 and 2021, respectively, and the applicable Internal Revenue Service mortality tables. These split interest agreements are also presented as receivables in the accompanying statements of financial position.

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 carried at fair value. Contribution revenues are recognized at the date the annuities are established after recording 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 actuarial tables and guidelines used for calculating the available deduction for income tax purposes. 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 statement of financial position by a group annuity contract, which reflects the estimate of the contract's benefit.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Rent accrued under non-level leases – The Foundation accounts for its leases in accordance with FASB ASC 840, *Leases*. Certain operating leases contain escalation, abatement, and tenant improvement allowance provisions. The Foundation recognizes the total lease commitment ratably over the life of the lease, regardless of the payment terms. The cumulative difference between rent charged to expense and the rent paid is recorded as rent accrued under non-level leases on the combined statement of financial position. The cumulative difference between rent paid and rent charged to expense was $66,921 at March 31, 2022 and $67,893 at March 31, 2021.

Advertising – Advertising costs are charged to operations when incurred. Advertising expense charged to operations was $52,333 and $27,868 for the years ending March 31, 2022 and 2021, 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 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 statement 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. The expense category, management and general, includes 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.

Income tax status – The Foundation 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.

The Foundation 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, 2022 and 2021, management believes the Foundation and Support Foundations did not have any uncertain tax positions.

The Foundation's and Support Foundation's federal Returns of Organizations Exempt from Income Tax (Form 990) for 2019, 2020, and 2021 are subject to examination by the IRS, generally for the three years after they were filed. As of the date of this report, the 2022 returns had not yet been filed.

(1) Foundations' Operations and Summary of Significant Accounting Policies (Continued)

Subsequent events – The Foundation has evaluated subsequent events through , which is the date the combined financial statements were available to be issued.

(2) Liquidity

The following table reflects the Foundation's financial assets as of March 31, 2022 and 2021, 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.

	2022	2021
Cash and cash equivalents	$ 11,675,240	$ 4,981,316
Receivables, net	41,866,669	34,847,434
Investments	1,360,835,049	1,114,242,415
Total financial assets	1,414,376,958	1,154,071,165
Amounts not available in the next year without restrictions:		
Loans, notes and bequest receivables after one year	(30,059,913)	(22,859,994)
Beneficial interests in split interest trusts	(8,388,282)	(8,591,559)
Investments held in trusts	(27,466,115)	(27,366,991)
Investments in real estate and other	(66,947,300)	(27,022,100)
Investments not convertible to cash within 12 months	(188,709,006)	(138,174,294)
Subtotal available for next year without restrictions	1,092,806,342	930,056,227
Not available due to restrictions:		
Agency funds held for others	(138,451,760)	(126,718,161)
Pooled investments held under charitable gift annuity agreements	(2,273,703)	(2,277,465)
Board designated endowment funds net of available to spend	(394,291,817)	(329,676,595)
Net of investments not convertible to cash within 12 months	188,709,006	138,174,294
Financial assets available to meet cash needs for expenditures within one year	$ 746,498,068	$ 609,558,300

(3) Receivables

For the years ended March 31, 2022 and 2021, receivables consisted of the following:

	2022	2021
Notes receivable, net	$ 21,770,758	$ 23,625,412
Bequests receivable	11,244,010	2,138,552
Beneficial interest in charitable remainder trusts	8,279,535	8,288,086
Charitable lead trusts	302,776	497,502
Other	269,590	297,882
	$ 41,866,669	$ 34,847,434

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 components of notes receivable are as follows:

Promissory notes assigned to the Foundation:	2022	2021
Note receivable from an entity controlled by a Board member of a support foundation, secured by a deed of trust, receivable in annual principal payments of $600,000, along with interest only payments receivable annually at LIBOR plus 2.00% (2.282% at March 31, 2021); the note was due in December 2021.	$ -	$ 541,401
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 December 2015, the note continued on a month to month basis. In July 2017, the note was amended to extend the maturity to December 2019. In June 2020, the note was amended to include interest only payments of approximately $4,600 through May 15, 2021. Monthly principal and interest payments of $15,000 thereafter, with a balloon payment due May 31, 2023.	2,640,836	2,745,857

(3) Receivables (Continued)

	2022	**2021**
Note receivable, unsecured, all principal and accrued interest at 5.00%; the note is due in May 2018, the note was amended to extend the maturity date to May 2022.	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 is due in December 2023.	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 is due in December 2023.	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 is due in December 2023.	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 yearly installments of principal and interest at 4.00%; a one year payment deferral was granted on the note in December 2020; the note is due in January 2035.	4,958,742	5,030,756
Note receivable, secured by a deed of trust, receivable in monthly installments of approximately $869 including interest at 4.00%; the note was due March 2022.	-	9,927
Note receivable, unsecured, receivable in annual interest only payments of $150,000 at 1.21%; the note is due in July 2029.	12,368,266	12,368,266

(3) Receivables (Continued)

	2022	2021
Note receivable, secured by deed of trust , receivable in semi-annual interest only payments of approximately $7,700; The note is due in February 2027.	100,000	100,000
Notes Receivable - Community Impact Loan Program:		
Note receivable, secured by real property, receivable in interest only payments of $333, until May 2017, thereafter monthly installments of $3,833, including principal and interest accruing at 4.00%: the note was deferred six months and was due in May 2021.	-	7,565
Note receivable, secured by equipment, receivable in monthly installments of $6,500, including interest at 4.28%: the note was due in December 2021.	-	58,351
Note receivable, receivable in interest only payments until April 2021, monthly installments of $12,694 including interest at 2.85% thereafter: the note is due in April 2023.	63,652	116,000
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 December 2020: the note is due in April. 2024.	303,513	318,828

(3) Receivables (Continued)

	2022	2021
Note receivable, secured by real property, receivable in interest only payments until March 2018, at which receivable amount is changed to monthly installments of $2,735, including interest at 4.00%: payment deferral granted from April 2020 through September 2020: the note is due in March 2025.	92,565	121,057
Note receivable, secured by deed of trust, receivable in monthly interest only payments until May 2018, at which receivable amount is changed to monthly installments of $2,639, including interest at 4.00%: payment deferral granted from April 2020 through September 2020: the note is due in July 2023.	457,349	470,440
Note receivable, secured by securities at Chase, receivable in monthly installments of $5,315, including interest at 4.00%: payment deferral granted from April 2020 through December 2020: the note is due in July 2028.	393,070	440,107
Note receivable, unsecured, monthly payments of $5,596, are due including interest at 4.25%: the note is due in July 2025.	128,118	228,350
Note receivable, unsecured, receivable in interest only payments until September 2020 at which receivable amount is changed to monthly payments of $10,981 are due including interest at 3.50%; payment deferral granted from April 2020 through September 2020: the note is due in December 2029.	893,310	991,936

(3) Receivables (Continued)

	2022	2021
Note receivable, receivable in interest only payments until January 2021 at which receivable amount is changed to monthly payments of $7,728 including interest at 4.00%; payment deferral granted from April 2020 through September 2020: the note is due in February 2027.	-	358,575
Note receivable, unsecured, monthly payments of $4,098 are due including interest at 4.25%; the note is due in August 2030.	346,603	380,262
Note receivable, unsecured, all principal and accrued interest at 4.00% matures upon the earlier of borrower obtaining other financing, or February 2022.	-	228,000
Note receivable, unsecured, all principal and accrued interest at 3.50% matures upon the earlier of borrower obtaining other financing, or December 2021.	-	660,000
Note receivable, unsecured, receivable in interest only payments until August 2022 at which a one-time $400,000 principal payment will be made then receivable amount is changed to monthly payments of $6,624 are due including interest at 4%; the note is due in September 2028.	1,000,000	-

(3) Receivables (Continued)

	2022	2021
Notes Receivable - Affordable Housing Pre-Development Loan Program:		
Loan receivable, no interest, matures upon the earlier of project completion, rehabilitation and resale of 15 foreclosed houses, or September 2012. Maturity extended. This loan is past due.	75,000	75,000
Loan receivable, no interest, matures upon earlier of rehabilitation and resale of 2 foreclosed houses, or March 2012. Maturity extended. This loan is past due.	70,000	70,000
Loan receivable, no interest, unsecured, matures December 2018, the maturity date was extended to December 2021. The loan is past due.	100,000	100,000
Loan receivable, no interest, unsecured, matures November 2021.	-	75,000
Loan receivable, no interest, unsecured, matures June 2022.	75,000	75,000
Loan receivable, no interest, unsecured, matures February 2020. Maturity date was extended to September 2021.	-	75,000

(3) <u>Receivables</u> (Continued)

	2022	2021
Loan receivable, no interest, unsecured, matures September 2020. Maturity date was extended to September 2021.	-	75,000
Loan receivable, no interest, unsecured, matures February 2021.	-	100,000
Loan receivable, no interest, unsecured, matured March 2021. This loan is past due.	100,000	100,000
Loan receivable, no interest, unsecured, matures February 2021.	-	75,000
Loan receivable, no interest, unsecured, matures June 2022	-	100,000
Loan receivable, no interest, unsecured, matures August 2022.	100,000	100,000
Loan receivable, no interest, unsecured, matures August 2022.	100,000	100,000
Loan receivable, no interest, unsecured, matures December 2022.	100,000	100,000
Loan receivable, no interest, unsecured, matures June 2023.	100,000	-
Notes receivables before discount and allowance	30,591,024	32,420,678
Less: Discount on notes receivable	(8,595,266)	(8,595,266)
Less: Allowance on notes receivable	(225,000)	(200,000)
Total notes receivables	$ 21,770,758	$ 23,625,412

(3) Receivables (Continued)

Scheduled collections on notes receivable at March 31, 2022 are as follows:

Years Ending March 31,	
2023	$ 2,134,855
2024	9,605,400
2025	634,326
2026	615,211
2027	591,445
Thereafter	17,009,787
Total	$ 30,591,024

Six notes receivable comprised 85% of the total receivables as of March 31, 2022. Six notes receivable comprised 81% of the total receivables as of March 31, 2021. Interest on notes receivable is recognized over the term of the note and is calculated using the simple-interest method on principal outstanding. Included in interest and dividend income is interest income earned on related party notes receivable of $0 and $21,887 for the years ended March 31, 2022 and 2021, respectively.

For notes receivable which are secured by underlying collateral, the Foundation follows FASB ASC 310-10, *Receivables*, which requires the Foundation to measure impairment of the note receivable based on the fair value of the underlying collateral.

Pledges Receivable
Pledges are normally discounted at an appropriate discount rate. A discount was not considered significant for financial reporting and no provision was made in the accompanying combined financial statements.

Bequests Receivable
For the year ended March 31, 2022, bequests receivable included nine bequests, of which four accounted for 83% of the balance. For the year ended March 31, 2021, bequests receivable included six bequests, of which one accounted for 63% of the balance.

Collectability
All receivables are stated at the amount management expects to collect. 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 current 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. During the year ended March 31, 2021, the Foundation recorded a discount of approximately $8,600,000 and an allowance for uncollectible notes receivable of $200,000 that is still considered reasonable as of March 31, 2022.

(4) Investments

Investments consist of:

	2022	2021
Pooled investments	$ 797,333,880	$ 644,866,992
Brokered investments	445,680,503	391,647,841
Assets held under charitable remainder trusts	29,163,774	29,044,369
Partnerships and other closely-held equity	18,704,037	16,800,052
Real estate	61,575,300	27,022,100
Group annuity contract	825,205	825,205
Cash surrender value of life insurance	558,843	489,629
Other investments	6,993,507	3,546,227
	$ 1,360,835,049	$ 1,114,242,415

The pooled investments include $2,272,703 and $2,277,465 as of March 31, 2022 and 2021, respectively, of assets held to satisfy charitable gift annuities.

Pooled Investments:

Pooled investments are comprised of the following at March 31, 2022:

	Not Categorized	Level 1	Total
Cash and cash equivalents	$ 104,640,513	$ -	$ 104,640,513
Equities mutual funds:			
Small/mid cap funds	-	10,631,028	10,631,028
International funds	-	66,116,366	66,116,366
Equity index funds	-	221,907,283	221,907,283
Emerging markets funds	-	26,046,591	26,046,591
Fixed income funds:			
Bond funds	-	59,124,780	59,124,780
U.S. treasuries and agency securities	-	16,043,893	16,043,893
Mission related debt instruments	2,439,500	-	2,439,500
Real estate funds	5,115,164	-	5,115,164
Private debt funds	50,542,852	-	50,542,852
Private equity and hedge funds	114,052,312	-	114,052,312
Comingled trust funds	120,673,598	-	120,673,598
Total	$ 397,463,939	$ 399,869,941	$ 797,333,880

(4) Investments (Continued)

Pooled Investments (Continued):

Pooled investments are comprised of the following at March 31, 2021:

	Not Categorized	Level 1	Total
Cash and cash equivalents	$ 57,032,345	$ -	$ 57,032,345
Equities mutual funds:			
Small/mid cap funds	-	11,051,490	11,051,490
International funds	-	65,833,660	65,833,660
Equity index funds	-	175,880,494	175,880,494
Emerging markets funds	-	17,145,262	17,145,262
Fixed income funds:			
Bond funds	-	36,234,653	36,234,653
U.S. treasuries and agency securities	-	149,428	149,428
Private equity and hedge funds	158,340,318	-	158,340,318
Comingled trust funds	123,199,342	-	123,199,342
Total	$ 338,572,005	$ 306,294,987	$ 644,866,992

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.

(4) Investments (Continued)

Brokered Investments:

Brokered investments are held in 111 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, 2022:

	Not Categorized	Level 1	Level 2	Total
Cash and cash equivalents	$ 20,936,486	$ -	$ -	$ 20,936,486
Equities and equities mutual funds:				
Real estate funds	-	2,245,853	-	2,245,853
Mutual funds and exchange traded funds	-	258,725,581	-	258,725,581
Equity holdings	-	108,240,097	-	108,240,097
Fixed income and fixed income funds:				
Corporate bonds	-	-	37,723,104	37,723,104
Government bond funds	-	14,787,322	-	14,787,322
Alternative investments:				
Private equity and hedge funds	3,022,060	-	-	3,022,060
	$ 23,958,546	$ 383,998,853	$ 37,723,104	$ 445,680,503

External managers' investment allocation is monitored by Foundation management and the Investment Committee, and is comprised of the following aggregated categories at March 31, 2021:

	Not Categorized	Level 1	Level 2	Total
Cash and cash equivalents	$ 13,773,489	$ -	$ -	$ 13,773,489
Equities and equities mutual funds:				
Real estate funds	-	4,926,229	-	4,926,229
Mutual funds and exchange traded funds	-	232,790,419	-	232,790,419
Equity holdings	-	107,846,751	-	107,846,751
Fixed income and fixed income funds:				
Corporate bonds	-	-	15,349,009	15,349,009
Government bond funds	-	14,084,348	-	14,084,348
Alternative investments:				
Private equity and hedge funds	2,877,596	-	-	2,877,596
	$ 16,651,085	$ 359,647,747	$ 15,349,009	$ 391,647,841

(4) **Investments** (Continued)

Other Investments:

Other investments are categorized as follows:

	2022		
	Value of Investment	Valuation Method	Fair Value Level
Assets held under charitable remainder trusts			
Cash and cash equivalents	$ 1,492,184	Fair Value	NA
Government securities	4,425,917	Fair Value	1
Equity mutual funds	9,975,710	Fair Value	1
Fixed income mutual funds	1,212,559	Fair Value	1
Corporate bonds	2,456,245	Fair Value	2
Equities	9,396,469	Fair Value	1
Private equity and hedge funds	204,690	Measurement Alternative	NA
Partnerships and LLC's			
Partnerships	8,512,591	Net Asset Value	NA
Real estate partnerships	3,636,704	Equity Method	NA
Partnerships and other closely-held equity	6,554,742	Measurement Alternative	NA
Real estate	61,575,300	Fair Value	3
Group annuity contract	825,205	Fair Value	3
Cash surrender value of life insurance	558,843	Fair Value	3
Other investments	6,993,507	Fair Value	3
	$ 117,820,666		

	2021		
	Value of Investment	Valuation Method	Fair Value Level
Assets held under charitable remainder trusts			
Cash and cash equivalents	$ 1,201,022	Fair Value	NA
Government securities	3,297,855	Fair Value	1
Equity mutual funds	6,946,665	Fair Value	1
Fixed income mutual funds	1,450,711	Fair Value	1
Corporate bonds	2,626,736	Fair Value	2
Equities	13,391,871	Fair Value	1
Private equity and hedge funds	129,509	Measurement Alternative	NA
Partnerships			
Partnerships	6,889,839	Net Asset Value	NA
Real estate partnerships	3,478,141	Equity Method	NA
Partnerships and other closely-held equity	6,432,072	Measurement Alternative	NA
Real estate	27,022,100	Fair Value	3
Group annuity contract	825,205	Fair Value	3
Cash surrender value of life insurance	489,629	Fair Value	3
Other investments	3,546,227	Fair Value	3
	$ 77,727,582		

(4) **Investments** (Continued)

In accordance with FASB ASC 820, the Foundation is required to disclose the nature and risks of the investments reported at net asset value ("NAV").

The following table summarizes the nature and risk of these investments as of March 31, 2022:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Fund of Funds	$ 15,178,998	$ 8,705,292	n/a	n/a
Private Equity Funds	55,357,223	25,738,234	n/a	n/a
Private Debt Funds	50,542,852	25,412,724	n/a	n/a
Private Real Estate Funds	5,115,164	9,772,112	n/a	n/a
Hedge Fund of Funds	55,050,743	-	quarterly	100 day notice
Commingled Trust Fund 1	10,475,183	-	daily	1 day notice
Commingled Trust Fund 2	79,803,762	-	daily	1 day notice
Commingled Trust Fund 3	8,870,355	-	daily	1 day notice
Commingled Trust Fund 4	21,524,297	-	daily	2 day notice
Total	$ 301,918,577	$ 69,628,362		

The following table summarizes the nature and risk of these investments as of March 31, 2021:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Fund of Funds	$ 13,590,858	$ 11,601,860	n/a	n/a
Private Equity Funds	40,686,106	27,953,534	n/a	n/a
Private Debt Funds	66,746,382	23,161,923	n/a	n/a
Multi-Strategy Funds	44,292,922	-	monthly	30 to 60 day notice
Private Real Estate Funds	2,791,485	1,840,000	n/a	n/a
Commingled Trust Fund 1	7,449,705	-	daily	1 day notice
Commingled Trust Fund 2	70,482,059	-	daily	1 day notice
Commingled Trust Fund 3	5,492,125	-	daily	1 day notice
Commingled Trust Fund 4	39,775,453	-	daily	2 day notice
Total	$ 291,307,095	$ 64,557,317		

The amounts above marked "n/a" for the redemption notice period can never 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.

(4) Investments (Continued)

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.

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.

Multi-Strategy Funds – This category comprises investments in various private investment funds that may pursue a variety of strategies including long/short strategies (U.S., Non-U.S., short bias, and global equities), relative value strategies (equity market neutral, convertible bond arbitrage, relative value credit, and fixed income), event driven strategies (distressed securities, special situations, and risk arbitrage strategies), and opportunistic strategies (macro, CTA, and portfolio hedges).

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.

(4) Investments (Continued)

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.

(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, 2022:

	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 at April 1, 2021	$ 8,785,588	$ 27,022,100	$ 4,861,061	$ 40,668,749
Change in value of split-interest agreements	(30,088)	-	-	(30,088)
Purchases and contributions	-	158,760,763	3,439,809	162,200,572
Sales	(173,189)	(124,145,534)	(411,810)	(124,730,533)
Realized / unrealized gains / (losses)	-	(62,029)	488,495	426,466
Balance at March 31, 2022	$ 8,582,311	$ 61,575,300	$ 8,377,555	$ 78,535,166

(5) Level 3 Fair Value Measurements (Continued)

The table below presents the change in fair value measurements that used Level 3 inputs during the year ended March 31, 2021:

	Receivables from charitable lead trusts, and beneficial interest in trusts	Real estate held for investment	Investments in cash surrender value of life insurance, beneficial interest in life estate, group annuity contract, and other Level 3	Total
Balance at April 1, 2020	$ 6,885,693	$ 23,488,800	$ 2,304,524	$ 32,679,017
Change in value of split-interest agreements	2,093,924	-	-	2,093,924
Purchases and contributions	-	947,300	2,979,140	3,926,440
Sales	(194,029)	(499,651)	(260,182)	(953,862)
Realized / unrealized gains / (losses)	-	3,085,651	(162,421)	2,923,230
Balance at March 31, 2021	$ 8,785,588	$ 27,022,100	$ 4,861,061	$ 40,668,749

(6) Present Value of Annuity Payments

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, 2022 and 2021:

	Charitable Remainder Trusts	Charitable Gift Annuities	Total
Balance at March 31, 2020	$ 11,865,155	$ 1,068,660	$ 12,933,815
New gifts	-	668,407	668,407
Annuity payments	(1,677,378)	(115,213)	(1,792,591)
Revaluation of liability	4,780,935	-	4,780,935
Balance at March 31, 2021	14,968,712	1,621,854	16,590,566
New gifts	362,868	253,240	616,108
Annuity payments	(1,697,659)	(206,641)	(1,904,300)
Revaluation of liability	793,570	-	793,570
Balance at March 31, 2022	$ 14,427,491	$ 1,668,453	$ 16,095,944

(7) Property and Equipment

Property and equipment consists of:

	2022	2021
Cost:		
Furniture, fixtures and equipment	$ 1,801,869	$ 1,529,666
Leasehold improvements	540,651	513,709
Art objects	5,700	29,257
Total cost	2,348,220	2,072,632
Accumulated depreciation and amortization	(1,305,235)	(1,265,859)
Projects in process	58,200	334,088
Net property and equipment	$ 1,101,185	$ 1,140,861

Projects in process consist of leasehold improvements and software upgrades. Depreciation and amortization expense charged to operations was $330,399 and $230,316 for the years ending March 31, 2022 and 2021, respectively.

(8) Grants Payable

Grants authorized, but unpaid are reported as liabilities in accordance with FASB ASC 958-720, *Not-for-Profit Entities – Other Expenses - Contributions Made*. Grants to be paid in more than one year are evaluated for discounting using current rates. The discount has been deemed to not be material. The following is a summary of grants authorized and payable at March 31:

	2022	2021
Grants payable to be paid in less than one year	$ 8,685,680	$ 5,439,883
Grants payable to be paid in one to five years	15,658,161	4,208,775
Net grants authorized but unpaid	$ 24,343,841	$ 9,648,658

(9) Agency Funds

FASB ASC 958-605 establishes 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. FASB ASC 958-605 specifically requires that if a not-for-profit organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account 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, in accordance with FASB ASC 958-605, a liability has been established 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:

	2022	2021
Agency funds, beginning of year	$ 128,273,611	$ 92,421,714
Contributions and additions	55,909,057	122,875,041
Investment income	1,660,955	1,464,498
Realized and unrealized investment gains (losses)	3,794,749	23,662,659
Withdrawal of funds	(50,251,973)	(111,124,952)
Administration and investment fees	(934,639)	(1,025,349)
Agency funds, end of year	$ 138,451,760	$ 128,273,611

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of:

	2022	2021
Time restricted:		
Charitable remainder trusts	$ 14,736,282	$ 14,831,534
Beneficial interest in charitable remainder trusts	8,279,537	8,288,088
Charitable lead trusts	302,776	497,502
	$ 23,318,595	$ 23,617,124

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 pledge 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.

(11) Endowments

The Foundation's endowments consist of approximately 650 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.

(11) Endowments (Continued)

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, 2022, 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, 2022 and 2021 was to distribute an amount equal to approximately 4.25% of the previous twelve 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.

(11) Endowments (Continued)

The endowment net assets composition by type of fund as of March 31, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 14,736,282	$ 14,736,282
Board-designated endowment funds	408,934,817	-	408,934,817
Total funds	$ 408,934,817	$ 14,736,282	$ 423,671,099

The change in endowment net assets for the year ended March 31, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, April 1, 2021	$ 353,377,595	$ 14,831,534	$ 368,209,129
Contributions	54,403,159	332,632	54,735,791
Investment return	23,038,291	-	23,038,291
Change in value of charitable remainder trusts	-	327,994	327,994
Appropriation of endowment assets for expenditure	(21,884,228)	(755,878)	(22,640,106)
Endowment net assets, March 31, 2022	$ 408,934,817	$ 14,736,282	$ 423,671,099

The endowment net assets composition by type of fund as of March 31, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 14,831,534	$ 14,831,534
Board-designated endowment funds	353,377,595	-	353,377,595
Total funds	$ 353,377,595	$ 14,831,534	$ 368,209,129

(11) Endowments (Continued)

The change in endowment net assets for the year ended March 31, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, April 1, 2020	$ 272,348,800	$ 11,551,182	$ 283,899,982
Contributions	16,023,732	-	16,023,732
Investment return	83,609,946	-	83,609,946
Change in value of charitable remainder trusts	-	3,789,040	3,789,040
Appropriation of endowment assets for expenditure	(18,604,883)	(508,688)	(19,113,571)
Endowment net assets, March 31, 2021	$ 353,377,595	$ 14,831,534	$ 368,209,129

(12) Leases

The Foundation leases office equipment and office space under operating lease agreements with terms expiring in various years through 2028. In July 2011, the Foundation entered into a new office lease that commenced in August 2011. The lease has a term of 126 months with escalating monthly lease payments up to $35,873. In December 2018, the Foundation amended a lease agreement to lease additional space through May 2027, requiring escalating monthly lease payments up to $76,063. The table below includes the minimum payments on this expanded lease. Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year are as follows:

Years Ending March 31,	
2023	$ 1,048,042
2024	975,551
2025	973,769
2026	941,885
2027	936,216
Thereafter	156,538
Total minimum future rental payments	$ 5,032,001

The operating leases do not provide for renewal options. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Total rental expense was $823,846 and $796,996 for the years ended March 31, 2022 and 2021, respectively.

(13) Retirement Plans

Arizona Community Foundation ("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 $358,873 for 2022 and $356,805 for the years ended March 31, 2022 and 2021, respectively.

The Rodel Charitable Foundation – AZ ("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. Rodel's matching contributions to the plan were $47,991 and $45,319 for the years ended March 31, 2022 and 2021, respectively. 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, 2022 and 2021.

Effective January 1, 2021, the Arizona Community Foundation ("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, 2022 and 2021.

(14) Notes Payable

Effective May 2013, the Foundation entered into an unsecured line of credit agreement with a California nonprofit public benefit corporation. The line of credit agreement has a maximum borrowing limit of $5,000,000. Proceeds from the line of credit are expressly restricted to provide financing loans to nonprofit community-based organizations in Arizona. The line was scheduled to mature May 1, 2018; however, during 2016 the maturity was extended to July 31, 2021, at which time any unpaid interest and principal was due. In October 2021, the line was converted to a promissory note for the outstanding balance of $2,525,000. Payments on the note were scheduled as follows: $814,888 due October 2021, $236,816 due April 23, and $124,508 due August 2025, and the remainder balance due August 2026. Interest is charged at 2.0% and is payable quarterly. The balance outstanding under the agreements is $1,710,812 and $2,525,000 as of March 31, 2022 and 2021, respectively.

(15) 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% (2.897% as of March 31, 2022) and payable monthly. There were no amounts outstanding on the line of credit as of March 31, 2022. There are certain financial and non-financial covenants required by the bank.

(16) Payroll Protection Program Government Grant

During the fiscal year ended March 31, 2021, the Foundation received proceeds in the amount of $1,145,287 under the Paycheck Protection Program (PPP). The PPP, established as part of the Cornonavirus Aid, Relief, and Economic Security (CARES) Act, provides for funding to qualifying businesses for amounts up to 2.5 times the average monthly payroll costs incurred during the year prior to the funded date of the qualifying business. The total amount and accrued interest were forgiven after 24 weeks as the Foundation used the proceeds for eligible purposes, including payroll costs, interest on mortgage obligations, rent and utilities.

(17) New Accounting Pronouncements

The FASB has issued ASU No. 2016-02, *Leases*. For nonpublic companies, the required adoption of this standard is expected to be delayed to annual reporting periods beginning after December 15, 2021. The standard's core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The FASB has also issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958) *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which will require the Foundation to present contributed nonfinancial assets in a separate line item in the statement of activities and to disclose certain information about the contributed nonfinancial assets, including whether the assets were monetized or utilized by the Foundation. In addition, the Foundation will be required to disclose a description of how these assets are valued. This ASU must be adopted for annual reporting periods beginning after June 15, 2021. The Foundation does not expect a significant impact to the financial statements when this standard is adopted.

ADDITIONAL INFORMATION

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
THE ARIZONA COMMUNITY FOUNDATION, INC.
and SUPPORT FOUNDATIONS
Phoenix, Arizona

We have audited the combined financial statements of ***Arizona Community Foundation, Inc. and Support Foundations*** as of and for the year ended March 31, 2022, and have issued our report thereon dated October 14, 2022 which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules of financial position and activities that follow on pages 46 and 47 are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations and are 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 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 information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Henry + Horne, LLP

Tempe, Arizona
October 14, 2022

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
ADDITIONAL INFORMATION
COMBINING SCHEDULE OF FINANCIAL POSITION
March 31, 2022

ASSETS	**Arizona Community Foundation**	**Support Foundations**	**Eliminations and Reclassifications**	**Combined**
CASH AND CASH EQUIVALENTS	$ 13,121,168	$ (1,445,928)	$ -	$ 11,675,240
PREPAID EXPENSES AND OTHER ASSETS	300,829	8,194	-	309,023
RECEIVABLES, net	34,070,352	8,646,317	(850,000)	41,866,669
INVESTMENTS	1,015,778,476	345,056,573	-	1,360,835,049
PROPERTY AND EQUIPMENT, net	1,101,185	-	-	1,101,185
TOTAL ASSETS	$ 1,064,372,010	$ 352,265,156	$ (850,000)	$ 1,415,787,166
LIABILITIES AND NET ASSETS				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 2,437,195	$ 47,639	$ (850,000)	$ 1,634,834
GRANTS PAYABLE	20,029,091	4,314,750	-	24,343,841
PRESENT VALUE OF ANNUITY PAYMENTS	16,095,944	-	-	16,095,944
DEFERRED RENT	66,921	-	-	66,921
PROGRAMMATIC REVOLVING LOANS	1,710,812	-	-	1,710,812
AGENCY FUNDS	138,451,760	-	-	138,451,760
TOTAL LIABILITIES	178,791,723	4,362,389	(850,000)	182,304,112
NET ASSETS	885,580,287	347,902,767	-	1,233,483,054
TOTAL LIABILITIES AND NET ASSETS	$ 1,064,372,010	$ 352,265,156	$ (850,000)	$ 1,415,787,166

THE ARIZONA COMMUNITY FOUNDATION, INC.
AND
SUPPORT FOUNDATIONS
ADDITIONAL INFORMATION
COMBINING SCHEDULE OF ACTIVITIES
Year Ended March 31, 2022

	Arizona Community Foundation	Support Foundations	Eliminations and Reclassifications	Combined
CONTRIBUTIONS, REVENUES AND OTHER SUPPORT				
Contributions	$ 151,732,645	$ 139,221,419	$ (2,979,831)	$ 287,974,233
Investment income	53,652,679	(1,018,943)	-	52,633,736
Interest from notes receivables	408,208	263,129	-	671,337
Change in split interest agreements	368,919	-	-	368,919
Administrative and trustee fee revenues	4,309,252	-	(1,981,498)	2,327,754
Interfund gifts		-		-
Rental income	246,523	3,753,848	(76,523)	3,923,848
Other income	639,448	12,952	-	652,400
TOTAL CONTRIBUTIONS, REVENUES AND OTHER SUPPORT	211,357,674	142,232,405	(5,037,852)	348,552,227
EXPENSES				
Program expenses:				
Grants and scholarships	77,218,473	17,922,354	(2,979,831)	92,160,996
Interfund grants	-	-	-	-
Other program expenses	11,935,680	804,581	-	12,740,261
Total program expenses	89,154,153	18,726,935	(2,979,831)	104,901,257
Management and general	4,403,985	2,436,044	(2,058,021)	4,782,008
Fundraising	2,651,414	290,481	-	2,941,895
TOTAL EXPENSES	96,209,552	21,453,460	(5,037,852)	112,625,160
CHANGE IN NET ASSETS	$ 115,148,122	$ 120,778,945	$ -	$ 235,927,067