

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA  
AND SUBSIDIARIES

Audited Consolidated Financial Statements and  
Supplementary Information

For the year ended December 31, 2022 and 2021

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# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Jewish Philanthropies of Southern Arizona  
and Subsidiaries

**Opinion**

We have audited the accompanying consolidated financial statements of Jewish Philanthropies of Southern Arizona and Subsidiaries (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, except for the effects of the item described in the Basis for Qualified Opinion section of our report, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jewish Philanthropies of Southern Arizona and Subsidiaries as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Qualified Opinion**

As more fully described in Note 2 to the consolidated financial statements, the merger of the Jewish Federation of Southern Arizona, Inc. and the Jewish Community Foundation of Southern Arizona into Jewish Philanthropies of Southern Arizona (previously Center for Jewish Philanthropies of Southern Arizona) was legally effective May 17, 2021. Accounting principles generally accepted in the United States of America require the financial statements of the merging entities to be combined at their reported amounts as of the legal merger date. Management has informed us that the merger has been accounted for using an effective date of January 1, 2021. The effects on the accompanying consolidated financial statements, as of and for the year ended December 31, 2021, of accounting for the merger using an effective date of January 1, 2021 have not been determined.

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

**Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

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



## INDEPENDENT AUDITOR'S REPORT, Continued

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Philanthropies of Southern Arizona and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Philanthropies of Southern Arizona Subsidiaries' 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.

*Luowin KLEWER & RUDNER PLLC*  
June 14, 2023

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2022 and 2021

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	\$ 31,104,426	\$ 35,357,970
Accounts receivable	208,524	16,908
Accrued interest receivable	143,503	50,134
Unconditional promises to give, current portion	540,201	744,278
Prepaid expenses and other current assets	130,693	98,180
Notes receivable, current portion	-	1,916,618
Total current assets	32,127,347	38,184,088
Unconditional promises to give, non-current portion	32,300	236,868
Notes receivable, non-current portion	75,000	75,000
Cash surrender value of life insurance	4,848,002	4,820,144
Investments in marketable securities	107,670,672	104,746,787
Interests in partnerships and closely-held corporations	6,539,453	8,443,025
Real estate held for sale	900,000	900,000
Beneficial interest in charitable remainder trusts	4,398,509	4,494,881
Property and equipment, net	5,693,685	5,729,835
Total assets	\$ 162,284,968	\$ 167,630,628

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 326,104	\$ 428,976
Grants payable	932,490	343,853
Designated obligations	560,637	667,469
Funds held for others	27,273,971	28,872,407
Total current liabilities	29,093,202	30,312,705
Total liabilities	29,093,202	30,312,705
Net assets:		
Without donor restrictions:		
Undesignated	6,076,044	5,764,269
Designated:		
Designated for donor advised purposes:		
Endowments - including accumulated earnings of \$8,072,890 and \$13,169,930	51,785,522	43,454,811
Donor-advised funds	46,358,037	56,871,372
Other designations	6,065,297	6,466,223
Expended for property and equipment	5,693,685	5,729,835
Total net assets without donor restrictions	115,978,585	118,286,510
With donor restrictions:		
Purpose restrictions	2,070,058	2,488,680
Time-restricted for future periods	5,566,844	5,898,084
Perpetual in nature	7,148,217	7,147,240
Subject to appropriation and expenditure	2,428,062	3,497,409
Total net assets with donor restrictions	17,213,181	19,031,413
Total net assets	133,191,766	137,317,923
Total liabilities and net assets	\$ 162,284,968	\$ 167,630,628

See independent auditor's report and accompanying notes.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES  
For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 23,079,572	\$ 3,455,711	\$ 26,535,283
Rental income	23,800	-	23,800
Administrative fees	263,905	-	263,905
Program revenue	1,528	-	1,528
	<u>23,368,805</u>	<u>3,455,711</u>	<u>26,824,516</u>
Net asset released from restrictions	<u>4,389,942</u>	<u>(4,389,942)</u>	<u>-</u>
Total revenue and support	<u>27,758,747</u>	<u>(934,231)</u>	<u>26,824,516</u>
Investment and other income:			
Investment income (loss), net	(8,090,751)	(990,832)	(9,081,583)
Change in value of split interest agreements	-	106,831	106,831
Other income	<u>376,272</u>	<u>-</u>	<u>376,272</u>
Total investment and other income	<u>(7,714,479)</u>	<u>(884,001)</u>	<u>(8,598,480)</u>
Total revenue, investment and other income	<u>20,044,268</u>	<u>(1,818,232)</u>	<u>18,226,036</u>
Allocations, grants, and other expenses:			
Allocations:			
Local agencies and programs	1,318,778	-	1,318,778
Grants and distributions	16,780,731	-	16,780,731
JFNA/JCD/Other overseas	643,726	-	643,726
National agencies and special relief	<u>158,035</u>	<u>-</u>	<u>158,035</u>
Total allocations and grants	<u>18,901,270</u>	<u>-</u>	<u>18,901,270</u>
Other expenses:			
Program services:	1,606,772	-	1,606,772
Management and general	1,103,421	-	1,103,421
Fund-raising/campaign expenses	<u>740,730</u>	<u>-</u>	<u>740,730</u>
Total other expenses	<u>3,450,923</u>	<u>-</u>	<u>3,450,923</u>
Total allocations, grants and other expenses	<u>22,352,193</u>	<u>-</u>	<u>22,352,193</u>
Change in net assets	<u>(2,307,925)</u>	<u>(1,818,232)</u>	<u>(4,126,157)</u>
Net assets, beginning of year	<u>118,286,510</u>	<u>19,031,413</u>	<u>137,317,923</u>
Net assets, end of year	<u>\$ 115,978,585</u>	<u>\$ 17,213,181</u>	<u>\$ 133,191,766</u>

See independent auditor's report and accompanying notes.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 22,358,854	\$ 3,455,418	\$ 25,814,272
Rental income	31,000	-	31,000
Administrative fees	264,469	-	264,469
Program revenue	5,476	-	5,476
	22,659,799	3,455,418	26,115,217
Net asset released from restrictions	4,110,495	(4,110,495)	-
Total revenue and support	26,770,294	(655,077)	26,115,217
Investment and other income:			
Investment income, net	12,112,989	1,693,343	13,806,332
Change in value of split interest agreements	-	46,744	46,744
Other income	64,750	-	64,750
Total investment and other income	12,177,739	1,740,087	13,917,826
Total revenue, investment and other income	38,948,033	1,085,010	40,033,043
Allocations, grants, and other expenses:			
Allocations:			
Local agencies and programs	1,324,132	-	1,324,132
Grants and distributions	8,538,798	-	8,538,798
JFNA/JCD/Other overseas	389,571	-	389,571
National agencies and special relief	189,924	-	189,924
Total allocations and grants	10,442,425	-	10,442,425
Other expenses:			
Program services:	1,483,889	-	1,483,889
Management and general	1,435,214	-	1,435,214
Fund-raising/campaign expenses	581,648	-	581,648
Total other expenses	3,500,751	-	3,500,751
Total allocations, grants and other expenses	13,943,176	-	13,943,176
Change in net assets	25,004,857	1,085,010	26,089,867
Net assets, beginning of year, reclassified	93,281,653	17,946,403	111,228,056
Net assets, end of year	\$ 118,286,510	\$ 19,031,413	\$ 137,317,923

See independent auditor's report and accompanying notes.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2022

	Program Services	Management and General	Fund-raising/ Campaign Expenses	Total
Salaries	\$ 878,049	\$ 590,562	\$ 513,185	\$ 1,981,796
Payroll taxes	118,383	165,470	53,665	337,518
Total personnel	996,432	756,032	566,850	2,319,314
Depreciation	82,763	62,755	31,012	176,530
Outreach programming	145,089	-	-	145,089
Professional services	94,728	36,977	11,745	143,450
Occupancy	64,795	49,867	23,926	138,588
Publicity and advertising	42,272	35,489	9,789	87,550
Information technology	30,658	25,382	7,124	63,164
Repairs and maintenance	51,058	16,967	2,261	70,286
Insurance	24,358	35,240	2,658	62,256
Community events and meetings	-	7,860	46,224	54,084
Bad debt expense	28,521	12,085	7,735	48,341
Dues and subscriptions	670	20,503	4	21,177
Printing	2,080	12,635	10,819	25,534
Telephone and internet	13,464	6,897	4,703	25,064
Bank service fees	-	7,027	12,641	19,668
Travel and conferences	11,423	6,936	986	19,345
Awards and scholarships	13,084	-	-	13,084
Office and food supplies	4,509	6,055	624	11,188
Postage	868	2,641	954	4,463
Staff development and recruitment	-	2,073	675	2,748
Total functional expenses	<u>\$ 1,606,772</u>	<u>\$ 1,103,421</u>	<u>\$ 740,730</u>	<u>\$ 3,450,923</u>

See independent auditor's report and accompanying notes.



JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2021

	Program Services	Management and General	Fund-raising/ Campaign Expenses	Total
Salaries	\$ 726,591	\$ 838,387	\$ 309,012	\$ 1,873,989
Payroll taxes	147,680	132,045	74,995	354,720
Total personnel	874,271	970,432	384,007	2,228,709
Professional services	127,434	122,512	43,837	293,783
Depreciation	84,311	45,083	28,813	158,207
Occupancy	43,721	83,548	15,415	142,684
Outreach programming	135,953	-	-	135,953
Information technology	26,703	79,713	8,920	115,336
Staff development and recruitment	61,446	2,841	47,906	112,193
Insurance	29,309	44,670	2,451	76,430
Bad debt expense	28,393	12,022	7,439	47,854
Dues and subscriptions	18,514	13,772	171	32,457
Telephone and internet	9,649	14,191	5,785	29,625
Community events and meetings	2,428	20,331	3,844	26,603
Travel and conferences	11,339	5,934	1,368	18,641
Bank service fees	3,549	2,018	12,918	18,485
Printing	1,189	1,857	13,833	16,879
Office and food supplies	6,776	7,891	1,740	16,407
Awards and scholarships	12,455	-	-	12,455
Publicity and advertising	5,630	4,847	1,461	11,938
Postage	819	1,445	1,740	4,004
Interest	-	2,108	-	2,108
Total functional expenses	\$ 1,483,889	\$ 1,435,214	\$ 581,648	\$ 3,500,751

See independent auditor's report and accompanying notes.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (4,126,157)	\$ 26,089,867
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	176,530	158,207
Bad debt expense	48,341	47,854
Donated real estate held for sale	-	(900,000)
Donated marketable securities	(8,397,853)	(2,569,874)
Realized and unrealized loss (gain) on investments in marketable securities	9,151,085	(5,639,924)
Change in value of split interest agreements	(106,831)	(46,744)
Change in allowance for net present value, unconditional promises to give	(16,413)	(5,570)
Change in provision for uncollectible promises to give	(17,253)	(36,755)
Change in value of beneficial interests in charitable remainder trusts	96,372	(2,713,459)
Change in value of interests in partnerships and closely-held corporations	1,903,572	(1,354,566)
Change in valuation of notes receivable	-	(29,376)
Changes in operating assets and liabilities:		
Accounts receivable	(191,616)	(13,133)
Accrued interest receivable	(93,369)	76,600
Unconditional promises to give	323,270	11,316
Prepaid expenses and other current assets	(32,513)	16,158
Cash surrender value of life insurance	(27,858)	(82,961)
Accounts payable and accrued expenses	(102,872)	(177,703)
Grants payable	588,637	75,603
Funds held for others	(1,598,436)	3,957,743
Total adjustments	1,702,793	(9,226,584)
Net cash (used in) provided by operating activities	(2,423,364)	16,863,283
Cash flows from investing activities:		
Purchases of investments in marketable securities	(30,701,187)	(19,702,665)
Proceeds from sales of investments in marketable securities	27,024,070	11,590,700
Distributions from partnerships and closely-held corporations	-	170,813
Proceeds from sale of interests in partnerships and closely-held corporations	-	267,300
Purchases of property and equipment	(140,381)	(28,688)
Payments received on notes receivable	1,916,618	185,173
Net cash used in investing activities	(1,900,880)	(7,517,367)
Cash flows from financing activities:		
Principal payments made on note payable	-	(456,439)
Collection of contributions restricted for capital purposes	70,700	451,471
Net cash provided by (used in) financing activities	70,700	(4,968)
Change in cash and cash equivalents	(4,253,544)	9,340,948
Cash and cash equivalents, beginning of year	35,357,970	26,017,022
Cash and cash equivalents, end of year	\$ 31,104,426	\$ 35,357,970
Schedule of cash flow information:		
Cash paid for taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ 2,108
Schedule of non-cash investing and financing information:		
Donated marketable securities	\$ 8,397,853	\$ 2,569,874

See independent auditor's report and accompanying notes.

# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### 1. Nature of Activities

During May 2021, the Center for Jewish Philanthropies of Southern Arizona was established and became the sole member of the Jewish Federation of Southern Arizona, Inc. (JFSA) and the Jewish Community Foundation of Southern Arizona (JCF). During February of 2022, the Center for Jewish Philanthropies of Southern Arizona (CJP) was renamed Jewish Philanthropies of Southern Arizona (JPSA), and these consolidated financial statements are presented under the name of JPSA. The new organization was created to achieve greater efficiencies and provide for a more holistic approach to serving donors, fund holders and other stakeholders in the community.

JFSA is an Arizona nonprofit corporation. It serves as the fundraising, administrative and planning organization for various related social service and educational agencies serving the Tucson community, with a special emphasis on the Jewish community.

JCF operates as a community foundation. Its primary purposes are to ensure the continuity of the Jewish community in southern Arizona; to receive and maintain a fund or funds of real or personal property, or both, and to use and apply the whole or part of income therefrom and the principal thereof exclusively for nonprofit purposes which principally serve the charitable, health, educational, cultural and social needs of the Jewish community.

### 2. Summary of Significant Accounting Policies

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of JPSA, JFSA and JCF (collectively referred to as the Organization). Each of the entities maintain their own net assets. All significant inter-organization transactions have been eliminated in consolidation. However, selected footnotes are presented on an unconsolidated basis when deemed more informative to the financial statement users.

#### Basis of Presentation and Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenue is recognized when earned and expenses are recognized when incurred.

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

The merger of JFSA and the JCF into JPSA was legally effective May 17, 2021 when JPSA (formerly CJP) became the sole member of JFSA and JCF. Accounting principles generally accepted in the United States of America require the financial statements of the merging entities to be combined at their reported amounts as of the merger date. Management has informed us that the merger has been accounted for using an effective date of January 1, 2021. The effects on the accompanying consolidated financial statements of accounting for the merger using an effective date of January 1, 2021 have not been determined.

#### Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions – net assets available for use in general operations and not subject to donor (or grantor) restrictions. While board-designated funds, endowments without donor restrictions, and donor-advised funds are unrestricted for financial reporting purposes, the Board does not intend to use or make these funds available for general expenditure.

See independent auditor's report.

## JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

#### 2. Summary of Significant Accounting Policies, Continued

##### Financial Statement Presentation, continued

- Net assets with donor restrictions – net assets subject to donor (or grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity and over which JCF does not have variance power. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

##### Accounting Estimates

The preparation of 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

##### Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less.

##### Concentration Risk

The Organization maintains cash and investment accounts with various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures cash accounts at banks up to \$250,000 per institution. The Securities Investor Protection Corporation (SIPC) protects securities up to \$500,000, of which \$250,000 may be un-invested cash. Excess SIPC coverage protects cash accounts over the \$250,000 SIPC limit. This coverage is primarily designed to return funds to investors if the brokerage firm holding these assets becomes insolvent. It does not protect against market risk.

At December 31, 2022 and 2021, the Organization, collectively, had \$2,869,527 and \$3,336,993, respectively, on deposit in excess FDIC insurance limits and \$98,817,191 and 101,669,098, respectively, of investments in excess of SIPC insurance limits. Management does not believe it is exposed to any credit risk related to cash and investment accounts.

##### Investments in Marketable Securities

Investments in marketable securities consist primarily of mutual funds and alternative investment funds, under management with SEI Investments, all of which are carried at quoted market values determined at the date of the consolidated statement of financial position. Certain donated investments are valued at fair market value. Alternative investment funds are reflected at fair value as reported by the fund managers or general partners, and may differ significantly from the values that would have been reported had a ready market for these securities existed. The Organization's management reviewed and concurs with the evaluation methods and assumptions used by the investment managers in determining the fair value of the alternative investment funds.

##### Notes Receivable

The Organization has two notes receivable from a private company and two notes receivable from a nonprofit organization. Management believes that all of the notes are fully-collectible, therefore no allowance for doubtful collections have been recorded. If management becomes aware of conditions that indicate a permanent impairment of one or more of the notes, the value of the associate note would be adjusted to the new value.

See independent auditor's report.

# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies, Continued

#### Property and Equipment

Purchased property and equipment is recorded at cost, and donated property and equipment is recorded at its estimated fair market value on the date of the donation. The Organization's policy is to capitalize expenditures for property and equipment that exceed \$5,000 and an estimated useful life of more than one year. The cost of maintenance and repairs is charged to expense in the year incurred. Expenditures that increase the useful lives of assets are capitalized and depreciated. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	2-39 years
Furniture, fixtures and equipment	2-7 years
Computer equipment and software	3 years

#### Real Estate Held for Sale

Real estate held for sale is comprised of land and property for which the Organization holds title and is carried at appraised value, which management believes approximates fair value.

#### Income Tax Status

JPSA, JFSA and JCF are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to each entity's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, each entity qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a).

The Organization's policy is to disclose or recognize income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax positions. The Organization holds no uncertain tax positions and therefore, has no policy for evaluating them. As of December 31, 2022, management is not aware of any uncertain tax positions that are potentially material.

#### Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions received are recorded as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue related to program activities is recognized when the performance obligation, the related program service, has been met by the Organization. Payments received for which there is an outstanding performance obligation are recorded as deferred revenue.

#### Donated Goods, Facilities and Services

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

- Those services require specialized skills and the services are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.
- The services create or enhance nonfinancial assets.

See independent auditor's report.

# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies, Continued

#### Donated Goods, Facilities and Services, continued

Although the Organization utilizes the services of many outside volunteers, the fair market value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

#### Accounts Receivable

Accounts receivable are carried at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contract, and other circumstances, which may affect the ability of customers to meet their obligation. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. The allowance for doubtful accounts balance was \$-0- at December 31, 2022 and 2021. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At December 31, 2022 and 2021, there were no accounts receivable balances greater than ninety days past due.

#### Unconditional Promises to Give and Fundraising Campaigns

The Organization conducts annual and special campaigns to raise funds for allocations to various organizations and programs. Contributions received that are intended to be expended or allocated in a subsequent year are recorded as temporarily restricted net assets until the year designated for use. Unconditional promises to give are recorded when received, and allowances are provided for amounts estimated to be uncollectible and for discounting multi-year promises to net present value.

#### Advertising Costs

The cost of advertising is expensed when incurred or when the first advertising takes place. The Organization does not participate in direct-response advertising, which requires the capitalization and amortization of related costs.

#### Expense Allocation

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facility costs and depreciation, which are allocated on a square footage basis. Salaries, wages, benefits, payroll taxes, office expenses, telephone, internet, information technology and other, are allocated on the basis of full-time equivalent positions (FTE). The allocation by FTE to a program or support function is based on annual analysis of time and effort, and allocation updates are applied mid-year if significant changes are noted.

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# JEWSH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### 3. Liquidity and Availability of Resources

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date are comprised of the following as of December 31,:

	2022	2021
Cash and cash equivalents	\$ 31,104,426	\$ 35,357,970
Investment in marketable securities	107,670,672	104,746,787
Accounts receivable	208,524	16,908
Accrued interest receivable	143,503	50,134
Unconditional promises to give, current portion	540,201	744,278
Notes receivable, current portion	-	1,916,618
Cash surrender value of life insurance	4,848,002	4,820,144
Total financial assets available within one year	144,515,328	147,652,839
Less:		
Amounts included above but unavailable for general expenditure within one year due to:		
Board-designated funds	(104,208,856)	(106,792,406)
Net assets with donor restrictions	(17,213,181)	(19,031,413)
Alternative investments included above not considered redeemable within one year	(6,510,409)	(8,140,468)
Total financial assets available to management for general expenditure within one year	\$ 16,582,882	\$ 13,688,552

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization considers time horizons of 30 days, sources and uses of cash, levels of cash held, financial resources available and current liabilities of the various fund types.

The majority of the Organization's non-operating financial assets, which are held in funds with and without donor restrictions, are invested in pooled asset which can be easily converted to cash within two business days to meet the unique disbursement needs of the various fund types. Of the total pooled assets at December 31, 2022 and 2021, \$6,510,409 and \$8,140,468, respectively, are subject to lock-up periods or other restrictions and are, therefore, not considered redeemable within one year.

It is recognized that large portions of the pooled assets have exposure to market volatility. The investment risk of the pooled assets is managed by an external investment manager with oversight by the Organization's investment committee. Any disbursements or current liabilities from funds not designated for operations are limited to that particular fund's available liquid assets.

The majority of the Organization's excess operating cash is invested in a separate pool which is structured so that a portion is protected from market volatility. Any or all of the pool may be converted to cash within two business days. Cash in an amount sufficient to cover 30 days of operating expenses is maintained in two separate cash accounts.

While board-designated funds, endowments without donor restrictions and donor-advised funds are unrestricted for financial reporting purposes, the Board does not intend to use or make these funds available for general expenditures

See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2022 and 2021

4. Unconditional Promises to Give

Unconditional promises to give consist of amounts pledged related to annual campaign and capital purposes and are schedule to be paid in futures years as follows at December 31,:

<u>Year ended December 31:</u>	<u>2022</u>	<u>2021</u>
2022	\$ -	\$ 744,278
2023	567,401	300,434
2024	35,000	-
Total unconditional promises to give	602,401	1,044,712
Less interest component at 2.75% - 4.23%	(2,700)	(19,113)
Less allowance of doubtful promises to give	(27,200)	(44,453)
Unconditional promises to give, net	572,501	981,146
Less current portion	(540,201)	(744,278)
Non-current portion	<u>\$ 32,300</u>	<u>\$ 236,868</u>

5. Notes Receivable

Notes receivable consists of the following at December 31,:

	<u>2022</u>	<u>2021</u>
Note receivable from a private company requiring annual interest-only payments of \$35,000 maturing during December 2023 at which time the entire balance plus any unpaid interest is due and payable. The note is unsecured, and the balance is presented at net present value using a discount rate of 5.0%. The note was repaid in-full during April 2022.	\$ -	\$ 972,109
Note receivable from a private company requiring annual interest-only payments of \$40,000 maturing during December 2024 at which time the entire balance plus any unpaid interest is due and payable. The note is unsecured, and the balance is presented at net present value using a discount rate of 6.07%. The note was repaid in-full during April 2022.	-	944,509
Two notes receivable from a nonprofit organization requiring combined semi-annual interest-only payments at .05% per annum of \$375, maturing during January 2022 at which time the entire balance plus any unpaid interest is due and payable. The notes matured on January 31, 2022 and were renewed to January 31, 2024. The notes are unsecured.	75,000	75,000
Total notes receivable	75,000	1,991,618
Less current portion	-	(1,916,618)
Non-current portion	<u>\$ 75,000</u>	<u>\$ 75,000</u>

See independent auditor's report.



# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### 6. Property and Equipment

Property and equipment consists of the following at December 31,:

	2022	2021
Land	\$ 1,025,738	\$ 1,025,738
Buildings and improvements	5,083,383	5,083,383
Furniture, fixtures and equipment	256,228	236,320
Computer equipment and software	111,397	166,967
Work in process	120,575	7,344
Total property and equipment	6,597,321	6,519,752
Less accumulated depreciation	(920,486)	(789,917)
Property and equipment, net	\$ 5,676,835	\$ 5,729,835

Work in process at December 31, 2022 is primarily comprised of building security improvements. The improvements were completed during April 2023 at a total cost of \$124,847.

### 7. Fair Value Measurements and Investment Income

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. The Organization does not utilize Level 2 inputs.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

#### Assets using level 3 inputs for valuation on a recurring basis:

- The real estate held for sale fair values are determined by appraised value. Interest in partnerships and closely held corporations are generally determined by the percentage of ownership of the books value at year-end, which management believes approximates fair market value.

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2022 and 2021

7. Fair Value Measurements and Investment Income, Continued

- Alternative investments include a private equity fund and a pooled investment hedge fund. Values for alternative investments are based on information provided by the investment brokerage holding the funds.
- The beneficial interest in a trust is valued based on income generated by the trust and a capitalization rate provided by the trustee

Fair values of assets measured on a recurring basis at December 31, 2022 are:

	Level 1	Level 3	Total
Mutual funds	\$ 75,266,348	\$ -	\$ 75,266,348
Equities	1,137,629	-	1,137,629
Bonds and government securities	335,854	-	335,854
Alternative investments	-	30,930,841	30,930,841
	76,739,831	30,930,841	107,670,672
Beneficial interest in trust, net	-	4,398,509	4,398,509
Real estate held for sale	-	900,000	900,000
Less: restricted by donor in perpetuity	(7,148,217)	-	(7,148,217)
Valued using NAV as a practical expedient- interests in partnerships and closely held corporations	-	-	6,539,453
	<u>\$ 69,591,614</u>	<u>\$ 36,229,350</u>	<u>\$ 112,360,417</u>

Fair values of assets measured on a recurring basis at December 31, 2021 are:

	Level 1	Level 3	Total
Mutual funds	\$ 75,206,810	\$ -	\$ 75,206,810
Equities	971,312	-	971,312
Bonds and government securities	345,928	-	345,928
Alternative investments	-	28,222,737	28,222,737
	76,524,050	28,222,737	104,746,787
Beneficial interest in trust, net	-	4,494,881	4,494,881
Real estate held for sale	-	900,000	900,000
Less: restricted by donor in perpetuity	(7,147,240)	-	(7,147,240)
Valued using NAV as a practical expedient- interests in partnerships and closely held corporations	-	-	8,443,025
	<u>\$ 69,376,810</u>	<u>\$ 33,617,618</u>	<u>\$ 111,437,453</u>

In accordance with FASB ASC Subtopic 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

7. Fair Value Measurements and Investment Income, Continued

The table below sets forth a summary of changes in assets measured at fair value on a recurring basis using level 3 inputs for the year ended December 31, 2022:

	Alternative Investments	Real Estate Held for Sale	Beneficial Interest in Trust
Balance, beginning of year	\$ 28,222,737	\$ 900,000	\$ 4,494,881
Purchases/donations	8,600,916	-	-
Investment loss, net	(5,892,812)	-	-
Change in fair value	-	-	(96,372)
	<u>\$ 30,930,841</u>	<u>\$ 900,000</u>	<u>\$ 4,398,509</u>

The table below sets forth a summary of changes in assets measured at fair value on a recurring basis using level 3 inputs for the year ended December 31, 2021:

	Alternative Investments	Real Estate Held for Sale	Beneficial Interest in Trust
Balance, beginning of year	\$ 21,430,350	\$ -	\$ 1,781,422
Purchases/donations	1,136,843	900,000	-
Investment income, net	5,655,544	-	-
Change in fair value	-	-	2,713,459
	<u>\$ 28,222,737</u>	<u>\$ 900,000</u>	<u>\$ 4,494,881</u>

Investments valued using net asset value as a practical expedient:

Net asset value (NAV): Investments which use NAV as a practical expedient to determine fair value are excluded from the fair value hierarchy. The NAV is reported by external investment managers, including general partners, in accordance with their policies as described in their respective financial statements and offering memoranda. These investments are generally less liquid than other investments. For these investments, the value reported may differ from the value that would have been reported had a ready market for these investments existed, and the difference could be material to the change in net assets. The Organization did not hold any class of investments valued using NAV as a practical expedient that can never be redeemed with the investees.

The Organization's interests in partnerships and closely held corporations that are valued using net asset value (NAV) as a practical expedient on a recurring basis are as follows at December 31, 2022:

	Fair Value	Unfunded Commitments	Redemption frequency (if currently available)	Redemption notice period
Real estate	\$ 2,601,798	\$ -		
Private equity fund	3,937,655	-	N/A	annually
	<u>\$ 6,539,453</u>	<u>\$ -</u>		N/A

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

7. Fair Value Measurements and Investment Income, Continued

The Organization's interests in partnerships and closely held corporations that are valued using net asset value (NAV) as a practical expedient on a recurring basis are as follows at December 31, 2021:

	Fair Value	Unfunded Commitments	Redemption frequency (if currently available)	Redemption notice period
Real estate	\$ 2,747,195	\$ -		
Private equity fund	5,695,830	-	N/A	annually
	<u>\$ 8,443,025</u>	<u>\$ -</u>		N/A

The real estate class includes holding companies that invest primarily in U.S. commercial real estate and associated assets. The fair values of the investments in this class have been estimated using the net asset value of the Organization's ownership percentage. Distributions from these funds are based on rental income received generated by the underlying commercial real property and will also be received if the underlying property is liquidated. The Organization is a minority partner in the funds and has no operational decision-making authority as to the use or sale of the underlying property.

The private equity fund class is a fund invested in a limited number of companies with capital appreciation potential. The fund is managed by a private investment bank and the Organization has no power to direct the activity of the fund.

Investment loss, net:

Investment loss for the year ended December 31, 2022 is comprised of:

	Organization Investment Funds	Funds Held for Others	Total
Interest and dividend income	\$ 2,143,550	\$ 704,307	\$ 2,847,857
Unrealized loss	(10,701,432)	(3,508,788)	(14,210,220)
Realized gain	1,550,347	563,300	2,113,647
Change in value	(1,742,064)	(13,252)	(1,755,316)
Investment fees	(331,984)	(127,847)	(459,831)
Investment loss, net	<u>\$ (9,081,583)</u>	<u>\$ (2,382,280)</u>	<u>\$ (11,463,863)</u>

Investment income for the year ended December 31, 2021 is comprised of:

	Organization Investment Funds	Funds Held for Others	Total
Interest and dividend income	\$ 4,418,109	\$ 2,216,139	\$ 6,634,248
Unrealized gain	4,673,465	1,254,228	5,927,693
Realized gain	966,459	324,565	1,291,024
Change in value	4,068,025	19,695	4,087,720
Investment fees	(319,726)	(120,589)	(440,315)
Investment income, net	<u>\$ 13,806,332</u>	<u>\$ 3,694,038</u>	<u>\$ 17,500,370</u>

See independent auditor's report.

# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### 8. Line of Credit

The Organization has a \$100,000 line of credit that matured on October 3, 2022 and was not renewed. The agreement requires monthly interest-only payments with a variable interest rate equal to 1.00% above the lender's prime rate. There no activity on the line of credit during the year ended December 31, 2021, and the balance at December 31, 2021 is \$-0-.

### 9. Designated Obligations

The Organization has entered into several charitable gift annuity agreements and charitable remainder trusts whereby the donor contributes assets in exchange for distributions for specified periods of time to the donor or other beneficiaries. At the end of the specified time (usually the designated beneficiary's lifetime), the remaining assets are available for the Organization's use. Assets received are recorded at the fair value on the date the agreement or trust is recognized, and a liability equal to the present value of future distributions is recorded. The difference between the fair value of the assets received and the liability to the donor or other beneficiaries is recognized as contribution revenue.

On an annual basis, the Organization revalues the liability based on applicable mortality tables and discount rates which vary from 1.2% to 8.0%. Although the liability is limited to the remaining assets in the charitable remainder trusts, for the charitable gift annuities, the actual amount of distributions are not limited to the value of the donated assets. The liabilities for designated obligations are estimated as follows at December 31,:

	2022	2021
Charitable remainder trusts	\$ 461,161	\$ 552,012
Charitable gift annuities	99,476	115,457
Total designated obligations	<u>\$ 560,637</u>	<u>\$ 667,469</u>

### 10. Funds Held for Others

The Organization classifies funds held for other organizations into four categories:

Organization custodial – funds that the Organization is holding at the discretion of the charitable organization.

Amounts held for others – funds held for the 457(b) deferred compensation plan held for the CEO and President.

Donor-specified beneficiary – restricted contributions for which the donor has specified an affiliated or other charitable organization as the beneficiary and where the Organization does not have variance power.

Organization-advised endowments – funds for which various organizations transferred assets to the Organization, but specified themselves as the beneficiaries. Although the variance power was given to the Organization at the time of transfer, the Organization accounts for these funds as liabilities in accordance with accounting principles generally accepted in the United States of America.

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

10. Funds Held for Others, Continued

Funds held for others is comprised of the following at December 31,:

	2022	2021
Organizational custodial	\$ 13,924,693	\$ 15,372,332
Amounts held for others	14,449	27,701
Donor-specified beneficiary funds:		
Corpus	4,403,264	4,401,056
Available	808,399	1,569,340
Organization endowments	8,123,166	7,501,978
Total funds held for others	<u>\$ 27,273,971</u>	<u>\$ 28,872,407</u>

11. Designated Net Assets Without Donor Restrictions

The Organization's Board has established a policy regarding the purpose, approval and management of net assets without donor restrictions. While board-designated funds, endowments without donor restrictions and donor-advised funds are unrestricted for financial reporting purposes, the Board does not intend to use or make these funds available for general expenditure.

The net assets designated for donor-advised purposes include resources that are designated to support the mission of the Organization. The donor may recommend charitable distributions from the donor-advised funds, which are subject to approval by the Organization's Board. The endowment funds represent those funds in which the donor has requested that disbursements be made under the Organization's current spending rate policies, however, the Organization has variance power over the ultimate disposition of these endowment funds and their accumulated earnings. See Note 13.

Net assets without donor restrictions, on an unconsolidated basis, have been designated for specific purposes at December 31,:

JFSA

	2022	2021
Board-designated endowment funds	\$ 9,529,620	\$ 10,529,693
Other board-designated funds	125,436	330,415
Total designated net assets without donor restrictions	<u>\$ 9,655,056</u>	<u>\$ 10,860,108</u>

JCF

	2022	2021
Designated for donor advised purposes:		
Endowment funds	\$ 43,238,471	\$ 33,887,215
Donor advised funds	46,358,037	56,871,372
Other board-designated funds	5,939,861	6,135,808
Total designated net assets without donor restrictions	<u>\$ 95,536,369</u>	<u>\$ 96,894,395</u>

See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2022 and 2021

12. Net Assets With Donor Restrictions

Net assets with donor restrictions, on an unconsolidated basis, are restricted for the following purposes or periods at December 31,:

JFSA

	2022	2021
Subject to expenditure for specified purpose:		
Designated local agency	\$ 153,250	\$ 390,750
Security	124,735	31,166
Federation events and programs	75,133	156,058
Other	606,964	660,273
	<u>960,082</u>	<u>1,238,247</u>
Subject to the passage of time and purpose restrictions:		
2022 campaign	-	842,378
2023 campaign	922,726	403,566
2024 campaign	41,495	-
	<u>964,221</u>	<u>1,245,944</u>
Endowments:		
Not subject to spending policy or appropriation - beneficial interest in funds held at JCF, original perpetual gifts and charitable remainder trust	<u>318,954</u>	<u>331,466</u>
Net assets with donor restrictions	<u>\$ 2,243,257</u>	<u>\$ 2,815,657</u>

JCF

	2022	2021
Subject to expenditure for specified purpose	\$ 1,109,976	\$ 1,250,433
Subject to the passage of time and purpose restrictions	<u>4,602,623</u>	<u>4,652,140</u>
	5,712,599	5,902,573
Endowments:		
Subject to appropriation and expenditure - accumulated earnings		
On original endowment gifts:		
Competitive grants	1,899,012	2,593,028
Jewish Continuity program	248,768	300,945
Jewish education	106,337	213,890
Other programs	173,945	389,546
	<u>2,428,062</u>	<u>3,497,409</u>
Not subject to spending policy or appropriation - original endowment gifts:		
Competitive grants	4,432,253	4,431,460
Jewish Continuity program	245,328	245,328
Jewish education	800,926	800,926
Other programs	1,437,216	1,437,033
	<u>6,915,723</u>	<u>6,914,747</u>
Net assets with donor restrictions	<u>\$ 15,056,384</u>	<u>\$ 16,314,729</u>

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2022 and 2021

12. Net Assets With Donor Restrictions, Continued

Activity in net assets with donor restrictions, on an unconsolidated basis, is comprised of the following for the year ended December 31, 2022:

JFSA

	Contributions	Change in Value of Beneficial Interests in Funds Held by JCF	Releases and Appropriations	Transfers
Subject to expenditure for specified purpose:				
Designated local agency	\$ 2,600	\$ -	\$ (227,600)	\$ (12,500)
Security	90,444	-	(3,175)	6,300
Federation events and programs	445	-	(81,370)	-
Other	849,668	40,176	(949,353)	6,200
	<u>943,157</u>	<u>40,176</u>	<u>(1,261,498)</u>	<u>-</u>
Subject to the passage of time and purpose restrictions:				
2021 and prior campaigns	1,896,479	-	(2,884,362)	145,505
2022 campaign	519,160	-	-	-
2023 campaign	41,495	-	-	-
	<u>2,457,134</u>	<u>-</u>	<u>(2,884,362)</u>	<u>145,505</u>
Endowments:				
Not subject to appropriation and expenditure:				
Charitable remainder unitrust	-	(12,512)	-	-
	<u>\$ 3,400,291</u>	<u>\$ 27,664</u>	<u>\$ (4,145,860)</u>	<u>\$ 145,505</u>

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2022 and 2021

12. Net Assets With Donor Restrictions, Continued

JCF

	Contributions	Investment income/Change in value of beneficial interest in trusts	Releases and Appropriations	Transfers
Subject to expenditure for specified purpose:	\$ 50,000	\$ (64,956)	\$ (110,147)	\$ (15,354)
Subject to the passage of time and purpose restrictions	4,444	19,651	(31,865)	(41,747)
	54,444	(45,305)	(142,012)	(57,101)
Endowments:				
Subject to appropriation and expenditure - accumulated earnings on original endowment gifts:				
Competitive grants	-	(595,838)	(91,440)	(6,738)
Jewish Continuity program	-	(45,782)	(6,395)	-
Jewish education	-	(84,896)	(22,657)	-
Other programs	-	(152,357)	(37,351)	(25,893)
	-	(878,873)	(157,843)	(32,631)
Not subject to spending policy or appropriation - original endowment gifts:				
Competitive grants	793	-	-	-
Other programs	183	-	-	-
	\$ 55,420	\$ (924,178)	\$ (299,855)	\$ (89,732)

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2022 and 2021

12. Net Assets With Donor Restrictions, Continued

Activity in net assets with donor restrictions, on an unconsolidated basis, is comprised of the following for the year ended December 31, 2021:

JFSA

	Contributions	Change in Value of Beneficial Interests in Funds Held by JCF	Releases and Appropriations	Transfers
Subject to expenditure for specified purpose:				
Designated local agency	\$ 78,140	\$ -	\$ (438,761)	\$ -
Federation events and programs	52,859	-	(1,840)	-
Other	517,130	80,710	(434,508)	-
	648,129	80,710	(875,109)	-
Subject to the passage of time and purpose restrictions:				
2021 campaign	1,746,865	-	(2,566,854)	-
2022 campaign	661,752	-	-	-
2023 campaign	219,651	-	-	-
	2,628,268	-	(2,566,854)	-
Endowments:				
Not subject to appropriation and expenditure:				
Charitable remainder unitrust	-	2,102	-	-
	\$ 3,276,397	\$ 82,812	\$ (3,441,963)	\$ -

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JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

12. Net Assets With Donor Restrictions, Continued

JCF

	Contributions	Investment income/Change in value of beneficial interest in trusts	Releases and Appropriations	Transfers
Subject to expenditure for specified purpose:	\$ -	\$ 261,678	\$ (122,081)	\$ (63,100)
Subject to the passage of time and purpose restrictions	167,656	81,367	(164,680)	17,264
	167,656	343,045	(286,761)	(45,836)
Endowments:				
Subject to appropriation and expenditure - accumulated earnings on original endowment gifts:				
Competitive grants	-	949,103	(221,756)	(10,249)
Jewish Continuity program	-	72,405	(7,441)	-
Jewish education	-	135,725	(22,729)	-
Other programs	-	244,485	(44,863)	(31,424)
	-	1,401,718	(296,789)	(41,673)
Not subject to spending policy or appropriation - original endowment gifts:				
Competitive grants	795	-	-	2,527
Other programs	10,570	-	-	-
	\$ 179,021	\$ 1,744,763	\$ (583,550)	\$ (84,982)

13. Endowments

The Organization's endowments consist of many individual funds established under either donor restriction or as designated by the Board for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds (including funds designated by the Board of Directors to function as endowments) are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the Management of Charitable Funds Act (the Act) and, as a result, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time-restricted until the Board appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of the Organization has interpreted the Act as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates to the contrary. As a result, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of the initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

See independent auditor's report.

## JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

#### 13. Endowments, Continued

In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

#### Return Objectives and Risk Parameters

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a long-term real rate of return on assets that is greater than the sum of the Organization's annual spending policy goals, administrative fees, and the assumed rate of inflation as measured by the consumer price index, while assuming an acceptable level of risk.

#### Investment Strategies

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term objectives within prudent risk constraints. The primary purpose of the Organization is the preservation and protection of the property donated or bequeathed to the Organization and to provide funding for grants.

#### Spending Policy

The Organization has adopted a policy of appropriating for distribution each year between 3.5% and 5% of its endowment value (4% for the years ended December 31, 2022 and 2021). The rate is determined based on consideration of the net 10-year average total return, the current management fees owed to the Organization for endowment funds, the average consumer price index for the most recent 10 years and the long-term expected return on its endowments. The spending rate is applied to the average of the preceding 20 quarter-ending fund balances to arrive at the annual distribution amount. This is consistent with Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through return.

#### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds, over which the Organization does not have variance power, may fall below the level of the original gift values and become underwater for a period of time. The Board of the Organization has interpreted the Act to permit spending from underwater funds in accordance with the prudent measures required under the law. There were no accumulated deficiencies at December 31, 2022 and 2021.

See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

13. Endowments, Continued

Endowment fund net asset activity, on an unconsolidated basis, consists of the following for the year ended December 31, 2022:

JFSA

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2021	\$ 10,529,693	\$ 331,466	\$ 10,861,159
Change in value of beneficial interest in charitable remainder unitrust	-	(12,512)	(12,512)
Change in value of beneficial interests in funds held at JCF	(851,241)	-	(851,241)
Transfers between funds	(148,832)	-	(148,832)
Balance, December 31, 2022	<u>\$ 9,529,620</u>	<u>\$ 318,954</u>	<u>\$ 9,848,574</u>

JCF

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2021	\$ 33,887,215	\$ 10,412,156	\$ 44,299,371
Contributions	13,562,844	975	13,563,819
Investment loss, net	(2,873,358)	(878,874)	(3,752,232)
Change in cash surrender value life insurance	8,050	-	8,050
Change in value of partnership interests	3,470	-	3,470
Releases and appropriations	(1,442,285)	(157,842)	(1,600,127)
Transfers	92,535	(32,631)	59,904
Balance, December 31, 2022	<u>\$ 43,238,471</u>	<u>\$ 9,343,784</u>	<u>\$ 52,582,255</u>

Endowment fund net asset activity, on an unconsolidated basis, consists of the following for the year ended December 31, 2021:

JFSA

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2020	\$ 7,852,167	\$ 329,364	\$ 8,181,531
Change in value of beneficial interest in charitable remainder unitrust	-	2,102	2,102
Change in value of beneficial interests in funds held at JCF	1,219,627	-	1,219,627
Transfers between funds	1,457,899	-	1,457,899
Balance, December 31, 2021	<u>\$ 10,529,693</u>	<u>\$ 331,466</u>	<u>\$ 10,861,159</u>

See independent auditor's report.

# JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### 13. Endowments, Continued

#### JCF

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2020	\$ 29,082,933	\$ 9,335,008	\$ 38,417,941
Contributions	1,575,383	11,365	1,586,748
Investment income, net	4,117,615	1,401,718	5,519,333
Change in cash surrender value life insurance	2,692	-	2,692
Change in value of partnership interests	115,267	-	115,267
Releases and appropriations	(1,115,597)	(296,789)	(1,412,386)
Transfers	108,922	(39,146)	69,776
Balance, December 31, 2021	<u>\$ 33,887,215</u>	<u>\$ 10,412,156</u>	<u>\$ 44,299,371</u>

### 14. Land Leases and Trusts

JFSA is party to a lease with the Tucson Jewish Community Center and the Tucson Hebrew Academy for use of land under ground leases dated March 28, 1989 and February 11, 1994, respectively. In addition, JFSA has beneficial title to land recorded in the financial statements of Jewish Family and Children's Services, Hillel Foundation at the University of Arizona and the Jewish History Museum and Holocaust History Center, wherein these agencies retain the right of occupancy and control under the related trust agreements.

### 15. Retirement Plans

JFSA and JCF are affiliates under the JCC's 401(k) plan. Employees are eligible to participate in the 401(k) plan upon reaching age 21. There is no minimum service requirement and employees are eligible to defer compensation into the plan upon employment. The total consolidated contribution to the benefit plan for the years ended December 31, 2022 and 2021 was \$70,466 and \$50,638, respectively.

JCF also maintains a supplemental retirement plan for one member of management. JCF contributed \$ -0 and \$6,000 to the plan for the years ended December 31, 2022 and 2021, respectively.

### 16. Net Asset Reclassification

Net assets of JFSA as of December 31, 2020 have been reclassified to reflect a correction between net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions (time-restricted for future periods) has been decreased, and net assets without donor restrictions (undesignated) have been increased by \$3,805,223 to reflect expenditure of annual campaign funds from years prior to December 31, 2020 not previously released. This net asset reclassification did not impact JFSA's change in net assets as previously reported for the year ended December 31, 2020.

### 17. Subsequent Events

Management is not aware of any subsequent events have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements as of June 14, 2023, the date the consolidated financial statements were available to be issued.

See independent auditor's report.

## SUPPLEMENTARY INFORMATION

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2022

ASSETS

	Jewish Philanthropies of Southern Arizona (JPSA)	Jewish Federation of Southern Arizona (JFSA)	Jewish Community Foundation of Southern Arizona and Affiliate (JCF)	Consolidating Adjustments	Consolidated Totals
Current assets:					
Cash and cash equivalents	\$ -	\$ 1,734,104	\$ 29,370,322	\$ -	\$ 31,104,426
Accounts receivable	-	248,864	-	(40,340)	208,524
Accrued interest receivable	-	-	143,503	-	143,503
Unconditional promises to give, current portion	-	540,201	-	-	540,201
Prepaid expenses and other current assets	-	83,294	47,399	-	130,693
Total current assets	-	2,606,463	29,561,224	(40,340)	32,127,347
Unconditional promises to give, non-current portion	-	32,300	-	-	32,300
Notes receivable, non-current portion	-	-	75,000	-	75,000
Cash surrender value of life insurance	-	-	4,848,002	-	4,848,002
Investments in marketable securities	-	-	107,670,672	-	107,670,672
Interests in partnerships and closely-held corporations	-	-	6,539,453	-	6,539,453
Real estate held for sale	-	-	900,000	-	900,000
Beneficial interest in funds held by JCF	-	13,006,194	-	(13,006,194)	-
Beneficial interest in charitable remainder trusts	-	86,460	4,398,509	(86,460)	4,398,509
Property and equipment, net	-	5,618,741	74,944	-	5,693,685
Investment in subsidiaries	134,260,795	-	-	(134,260,795)	-
Total assets	\$ 134,260,795	\$ 21,350,158	\$ 154,067,804	\$ (147,393,789)	\$ 162,284,968

Supplementary Information.  
See independent auditor's report.



JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, Continued  
For the year ended December 31, 2022

	<u>LIABILITIES AND NET ASSETS</u>				
	Jewish Philanthropies of Southern Arizona (JPSA)	Jewish Federation of Southern Arizona (JFSA)	Jewish Community Foundation of Southern Arizona and Affiliate (JCF)	Consolidating Adjustments	Consolidated Totals
Current liabilities:					
Accounts payable and accrued expenses	\$ -	\$ 233,735	\$ 132,709	\$ (40,340)	\$ 326,104
Grants payable	-	-	932,490	-	932,490
Designated obligations	-	-	560,637	-	560,637
Funds held for others	-	-	39,297,596	(12,023,625)	27,273,971
Total current liabilities	-	233,735	40,923,432	(12,063,965)	29,093,202
Total liabilities	-	233,735	40,923,432	(12,063,965)	29,093,202
Net assets:					
Without donor restrictions:					
Undesignated	134,260,795	3,599,369	2,476,675	(134,260,795)	6,076,044
Designated:					
Designated for donor advised purposes:					
Endowments, including accumulated earnings of \$2,029,859 and \$6,264,977	-	9,529,620	43,238,471	(982,569)	51,785,522
Donor-advised funds	-	-	46,358,037	-	46,358,037
Other designations	-	125,436	5,939,861	-	6,065,297
Expended for property and equipment	-	5,618,741	74,944	-	5,693,685
Total net assets without donor restrictions	134,260,795	18,873,166	98,087,988	(135,243,364)	115,978,585
With donor restrictions:					
Purpose restrictions	-	960,082	1,109,976	-	2,070,058
Time-restricted for future periods	-	964,221	4,602,623	-	5,566,844
Perpetual in nature	-	318,954	6,915,723	(86,460)	7,148,217
Subject to appropriation and expenditure	-	-	2,428,062	-	2,428,062
Total net assets with donor restrictions	-	2,243,257	15,056,384	(86,460)	17,213,181
Total net assets	134,260,795	21,116,423	113,144,372	(135,329,824)	133,191,766
Total liabilities and net assets	\$ 134,260,795	\$ 21,350,158	\$ 154,067,804	\$ (147,393,789)	\$ 162,284,968

Supplementary Information.  
See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2021

ASSETS

	Jewish Philanthropies of Southern Arizona (JPSA)	Jewish Federation of Southern Arizona (JFSA)	Jewish Community Foundation of Southern Arizona and Affiliate (JCF)	Consolidating Adjustments	Consolidated Totals
Current assets:					
Cash and cash equivalents	\$ -	\$ 3,097,645	\$ 32,260,325	\$ -	\$ 35,357,970
Accounts receivable	-	22,709	-	(5,801)	16,908
Accrued interest receivable	-	-	50,134	-	50,134
Unconditional promises to give, current portion	-	744,278	-	-	744,278
Prepaid expenses and other current assets	-	46,207	51,973	-	98,180
Notes receivable, current portion	-	-	1,916,618	-	1,916,618
Total current assets	-	3,910,839	34,279,050	(5,801)	38,184,088
Unconditional promises to give, non-current portion	-	236,868	-	-	236,868
Notes receivable, non-current portion	-	-	75,000	-	75,000
Cash surrender value of life insurance	-	-	4,820,144	-	4,820,144
Investments in marketable securities	-	-	104,746,787	-	104,746,787
Interests in partnerships and closely-held corporations	-	-	8,443,025	-	8,443,025
Real estate held for sale	-	-	900,000	-	900,000
Beneficial interest in funds held by JCF	-	13,293,945	-	(13,293,945)	-
Beneficial interest in charitable remainder trusts	-	98,973	4,494,881	(98,973)	4,494,881
Property and equipment, net	-	5,643,815	86,020	-	5,729,835
Investment in subsidiaries	138,378,993	-	-	(138,378,993)	-
Total assets	\$ 138,378,993	\$ 23,184,440	\$ 157,844,907	\$ (151,777,712)	\$ 167,630,628

Supplementary Information.  
See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, Continued  
For the year ended December 31, 2021

LIABILITIES AND NET ASSETS

	Jewish Philanthropies of Southern Arizona (JPSA)	Jewish Federation of Southern Arizona (JFSA)	Jewish Community Foundation of Southern Arizona and Affiliate (JCF)	Consolidating Adjustments	Consolidated Totals
Current liabilities:					
Accounts payable and accrued expenses	\$ -	\$ 213,872	\$ 220,905	\$ (5,801)	\$ 428,976
Grants payable	-	-	343,853	-	343,853
Designated obligations	-	-	667,469	-	667,469
Funds held for others	-	-	41,204,255	(12,331,848)	28,872,407
Total current liabilities	-	213,872	42,436,482	(12,337,649)	30,312,705
Total liabilities	-	213,872	42,436,482	(12,337,649)	30,312,705
Net assets:					
Without donor restrictions:					
Undesignated	138,378,993	3,650,988	2,113,281	(138,378,993)	5,764,269
Designated:					
Designated for donor advised purposes:					
Endowments - including accumulated earnings of \$3,016,332 and \$10,473,600	-	10,529,693	33,887,215	(962,097)	43,454,811
Donor-advised funds	-	-	56,871,372	-	56,871,372
Other designations	-	330,415	6,135,808	-	6,466,223
Expended for property and equipment	-	5,643,815	86,020	-	5,729,835
Total net assets without donor restrictions	138,378,993	20,154,911	99,093,696	(139,341,090)	118,286,510
With donor restrictions:					
Purpose restrictions	-	1,238,247	1,250,433	-	2,488,680
Time-restricted for future periods	-	1,245,944	4,652,140	-	5,898,084
Perpetual in nature	-	331,466	6,914,747	(98,973)	7,147,240
Subject to appropriation and expenditure	-	-	3,497,409	-	3,497,409
Total net assets with donor restrictions	-	2,815,657	16,314,729	(98,973)	19,031,413
Total net assets	138,378,993	22,970,568	115,408,425	(139,440,063)	137,317,923
Total liabilities and net assets	\$ 138,378,993	\$ 23,184,440	\$ 157,844,907	\$ (151,777,712)	\$ 167,630,628

Supplementary Information.  
See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES  
For the year ended December 31, 2022

	Jewish Philanthropies of Southern Arizona (JPJA)	Jewish Federation of Southern Arizona (JFSA)			Jewish Community Foundation of Southern Arizona (JCF)			Consolidating Adjustments	Consolidated Totals
		Without Donor Restrictions	With Donor Restrictions	Total JFSA	Without Donor Restrictions	With Donor Restrictions	Total JCF		
Revenue and support:									
Contributions	\$ -	\$ 408,367	\$ 3,400,291	\$ 3,808,658	\$ 24,669,267	\$ 55,420	\$ 24,724,687	\$ (1,998,062)	\$ 26,535,283
Rental income	-	23,800	-	23,800	-	-	-	-	23,800
Administrative fees	-	-	-	-	263,905	-	263,905	-	263,905
Program revenue	-	1,528	-	1,528	-	-	-	-	1,528
	-	433,695	3,400,291	3,833,986	24,933,172	55,420	24,988,592	(1,998,062)	26,824,516
Net assets released from restrictions	-	4,000,355	(4,000,355)	-	389,587	(389,587)	-	-	-
Total revenue and support	-	4,434,050	(600,064)	3,833,986	25,322,759	(334,167)	24,988,592	(1,998,062)	26,824,516
Investment and other income:									
Investment income (loss), net	-	5,954	-	5,954	(6,926,898)	(1,031,009)	(7,957,907)	(1,129,630)	(9,081,583)
Change in value of split interest agreements	-	-	(12,512)	(12,512)	-	106,831	106,831	12,512	106,831
Change in value of beneficial interests in funds held by JCF	-	(1,256,997)	40,176	(1,216,821)	-	-	-	1,216,821	-
Other income	-	9,418	-	9,418	366,854	-	366,854	-	376,272
Change in net assets of subsidiaries	(4,118,198)	-	-	-	-	-	-	4,118,198	-
Total investment and other income	(4,118,198)	(1,241,625)	27,664	(1,213,961)	(6,560,044)	(924,178)	(7,484,222)	4,217,901	(8,598,480)
Revenue, investment and other income	(4,118,198)	3,192,425	(572,400)	2,620,025	18,762,715	(1,258,345)	17,504,370	2,219,839	18,226,036
Allocations, grants, and other expenses:									
Allocations and grants:									
Local agencies and programs	-	1,318,778	-	1,318,778	-	-	-	-	1,318,778
Grants and distributions	-	-	-	-	18,671,131	-	18,671,131	(1,890,400)	16,780,731
JFNA/JCD/Other overseas	-	643,726	-	643,726	-	-	-	-	643,726
National agencies and special relief	-	158,035	-	158,035	-	-	-	-	158,035
Total allocations and grants	-	2,120,539	-	2,120,539	18,671,131	-	18,671,131	(1,890,400)	18,901,270
Other expenses:									
Program services:	-	1,042,350	-	1,042,350	564,422	-	564,422	-	1,606,772
Management and general	-	684,269	-	684,269	416,087	-	416,087	3,065	1,103,421
Fund-raising/campaign expenses	-	627,012	-	627,012	116,783	-	116,783	(3,065)	740,730
Total other expenses	-	2,353,631	-	2,353,631	1,097,292	-	1,097,292	-	3,450,923
Total allocations, grants, and other expenses	-	4,474,170	-	4,474,170	19,768,423	-	19,768,423	(1,890,400)	22,352,193
Change in net assets	(4,118,198)	(1,281,745)	(572,400)	(1,854,145)	(1,005,708)	(1,258,345)	(2,264,053)	4,110,239	(4,126,157)
Net assets, beginning of year	138,378,993	20,154,911	2,815,657	22,970,568	99,093,696	16,314,729	115,408,425	(139,440,063)	137,317,923
Net assets, end of year	\$ 134,260,795	\$ 18,873,166	\$ 2,243,257	\$ 21,116,423	\$ 98,087,988	\$ 15,056,384	\$ 113,144,372	\$ (135,329,824)	\$ 133,191,766

Supplementary Information.  
See independent auditor's report.

JEWISH PHILANTHROPIES OF SOUTHERN ARIZONA AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES  
For the year ended December 31, 2021

	Jewish Philanthropies of Southern Arizona (JPSA)	Jewish Federation of Southern Arizona (JFSA)			Jewish Community Foundation of Southern Arizona (JCF)			Consolidating Adjustments	Consolidated Totals
		Without Donor Restrictions	With Donor Restrictions	Total JFSA	Without Donor Restrictions	With Donor Restrictions	Total JCF		
Revenue and support:									
Contributions	\$ -	\$ 2,199,720	\$ 3,276,397	\$ 5,476,117	\$ 21,289,790	\$ 179,021	\$ 21,468,811	\$ (1,130,656)	\$ 25,814,272
Rental income	-	31,000	-	31,000	-	-	-	-	31,000
Administrative fees	-	-	-	-	264,469	-	264,469	-	264,469
Program revenue	-	5,476	-	5,476	-	-	-	-	5,476
	-	2,236,196	3,276,397	5,512,593	21,554,259	179,021	21,733,280	(1,130,656)	26,115,217
Net assets released from restrictions	-	3,441,963	(3,441,963)	-	668,532	(668,532)	-	-	-
Total revenue and support	-	5,678,159	(165,566)	5,512,593	22,222,791	(489,511)	21,733,280	(1,130,656)	26,115,217
Investment and other income:									
Investment income, net	-	500	-	500	10,892,862	1,698,019	12,590,881	1,214,951	13,806,332
Change in value of split interest agreements	-	-	2,102	2,102	-	46,744	46,744	(2,102)	46,744
Change in value of beneficial interests in funds held by JCF	-	1,219,627	80,710	1,300,337	-	-	-	(1,300,337)	-
Other income	-	13,537	-	13,537	51,213	-	51,213	-	64,750
Change in net assets of subsidiaries	26,177,355	-	-	-	-	-	-	(26,177,355)	-
Total investment and other income	26,177,355	1,233,664	82,812	1,316,476	10,944,075	1,744,763	12,688,838	(26,264,843)	13,917,826
Revenue, investment and other income	26,177,355	6,911,823	(82,754)	6,829,069	33,166,866	1,255,252	34,422,118	(27,395,499)	40,033,043
Allocations, grants, and other expenses:									
Allocations and grants:									
Local agencies and programs	-	1,324,132	-	1,324,132	-	-	-	-	1,324,132
Grants and distributions	-	-	-	-	9,669,454	-	9,669,454	(1,130,656)	8,538,798
JFNA/JCD/Other overseas	-	389,571	-	389,571	-	-	-	-	389,571
National agencies and special relief	-	189,924	-	189,924	-	-	-	-	189,924
Total allocations and grants	-	1,903,627	-	1,903,627	9,669,454	-	9,669,454	(1,130,656)	10,442,425
Other expenses:									
Program services:	-	906,509	-	906,509	537,693	-	537,693	39,687	1,483,889
Management and general	-	1,057,626	-	1,057,626	404,046	-	404,046	(26,458)	1,435,214
Fund-raising/campaign expenses	-	472,873	-	472,873	122,004	-	122,004	(13,229)	581,648
Total other expenses	-	2,437,008	-	2,437,008	1,063,743	-	1,063,743	-	3,500,751
Total allocations, grants, and other expenses	-	4,340,635	-	4,340,635	10,733,197	-	10,733,197	(1,130,656)	13,943,176
Change in net assets	26,177,355	2,571,188	(82,754)	2,488,434	22,433,669	1,255,252	23,688,921	(26,264,843)	26,089,867
Net assets, beginning of year, reclassified	112,201,638	17,583,723	2,898,411	20,482,134	76,660,027	15,059,477	91,719,504	(113,175,220)	111,228,056
Net assets, end of year	\$ 138,378,993	\$ 20,154,911	\$ 2,815,657	\$ 22,970,568	\$ 99,093,696	\$ 16,314,729	\$ 115,408,425	\$ (139,440,063)	\$ 137,317,923

Supplementary Information.  
See independent auditor's report.

