



**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

*CONSOLIDATED FINANCIAL STATEMENTS AND*  
*INDEPENDENT AUDITORS' REPORT*

December 31, 2020 and 2019

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

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December 31, 2020 and 2019

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April 21, 2021

**Board of Directors  
San Angelo Area Foundation  
San Angelo, Texas**

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying consolidated balance sheets of San Angelo Area Foundation (the "Foundation") as of December 31, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of December 31, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Condley and Company, L.L.P.*

Certified Public Accountants

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
<u>ASSETS</u>	2020	2019
Cash and cash equivalents	\$ 7,093,211	\$ 2,210,664
Investments at market	162,440,109	157,497,622
Beneficial interest in charitable remainder trust	9,009,512	10,827,101
Fixed assets, net	3,668,175	3,225,339
Oil and gas interests	60,506	64,300
Other assets	30,789	30,789
<b>TOTAL ASSETS</b>	<b>\$ 182,302,302</b>	<b>\$ 173,855,815</b>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 1,885	\$ 1,691
Deferred income	169,591	-
Present value of split-interest trust and annuities	101,057	77,515
Deferred compensation	186,280	152,747
Funds held as agency endowments	45,517,106	44,328,552
Total Liabilities	45,975,919	44,560,505
NET ASSETS:		
Without donor restrictions	3,122,632	2,907,132
With donor restrictions	133,203,751	126,388,178
Net Assets	136,326,383	129,295,310
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 182,302,302</b>	<b>\$ 173,855,815</b>

*The accompanying notes are an integral part of the consolidated financial statements.*

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Total amounts raised	\$ 327,722	\$ 10,409,946	\$ 10,737,668
Less: amounts received for agency endowments		(1,452,643)	(1,452,643)
Contributions	327,722	8,957,303	9,285,025
Net investment return	406,609	12,466,551	12,873,160
Less: net investment return for agency endowments		(3,350,510)	(3,350,510)
Net investment return	406,609	9,116,041	9,522,650
Total other income	153,152		153,152
Less: other income for agency endowments			-
Other income	153,152	-	153,152
Net assets released from restrictions	9,274,519	(9,274,519)	-
Total Revenues, Gains and Other Support	10,162,002	8,798,825	18,960,827
<b>GRANTS AND EXPENSES:</b>			
Total grants and distributions	12,203,474		12,203,474
Less: grants and distributions made from agency endowments	(3,461,507)		(3,461,507)
Grants and distributions	8,741,967	-	8,741,967
Total other program expenses	427,165		427,165
Less: other program expenses from agency endowments	(34)		(34)
Other program expenses	427,131	-	427,131
Total management and general	565,294		565,294
Less: management and general from agency endowments			-
Management and general	565,294	-	565,294
Fundraising expense	377,774	-	377,774
Total Grants and Expenses	10,112,166	-	10,112,166
Change in value of split-interest agreements		(1,817,588)	(1,817,588)
RECLASSIFICATIONS - DONOR DIRECTED	165,664	(165,664)	-
CHANGE IN NET ASSETS	215,500	6,815,573	7,031,073
NET ASSETS AT BEGINNING OF YEAR	2,907,132	126,388,178	129,295,310
NET ASSETS, END OF YEAR	\$ 3,122,632	\$ 133,203,751	\$ 136,326,383

*The accompanying notes are an integral part of the consolidated financial statements.*

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Total amounts raised	\$ 65,593	\$ 15,464,207	\$ 15,529,800
Less: amounts received for agency endowments		(2,180,037)	(2,180,037)
Contributions	65,593	13,284,170	13,349,763
Net investment return	588,183	26,188,184	26,776,367
Less: net investment return for agency endowments		(6,895,577)	(6,895,577)
Net investment return	588,183	19,292,607	19,880,790
Total other income	157,243	110,039	267,282
Less: other income for agency endowments			-
Other income	157,243	110,039	267,282
Net assets released from restrictions	11,826,181	(11,826,181)	-
Total Revenues, Gains and Other Support	12,637,200	20,860,635	33,497,835
<b>GRANTS AND EXPENSES:</b>			
Total grants and distributions	12,027,595		12,027,595
Less: grants and distributions made from agency endowments	(1,014,113)		(1,014,113)
Grants and distributions	11,013,482	-	11,013,482
Total other program expenses	327,000		327,000
Less: other program expenses from agency endowments	(13)		(13)
Other program expenses	326,987	-	326,987
Total management and general	573,772		573,772
Less: management and general from agency endowments			-
Management and general	573,772	-	573,772
Fundraising expense	327,822	-	327,822
Total Grants and Expenses	12,242,063	-	12,242,063
Change in value of split-interest agreements	-	1,796,967	1,796,967
RECLASSIFICATIONS - DONOR DIRECTED	94,860	(94,860)	-
CHANGE IN NET ASSETS	489,997	22,562,742	23,052,739
NET ASSETS AT BEGINNING OF YEAR	2,417,135	103,825,436	106,242,571
NET ASSETS, END OF YEAR	\$ 2,907,132	\$ 126,388,178	\$ 129,295,310

*The accompanying notes are an integral part of the consolidated financial statements.*

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 7,031,073	\$ 23,052,739
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized/unrealized gains on investments	(10,649,015)	(23,096,619)
Realized gain on land held for sale	-	(110,039)
Unrealized loss on oil and gas interests	3,794	3,350
Reinvested income	(2,210,785)	(3,813,921)
Non-cash contributions	(1,210,500)	(6,967,056)
Depreciation and amortization	134,269	125,541
Loss on disposal of fixed assets	1,439	-
(Increase)/Decrease in:		
Beneficial interest in charitable remainder trust	1,817,588	(1,796,967)
Increase/(Decrease) in:		
Accounts payable	194	266
Deferred income	169,591	-
Grants payable	-	(1,000)
Present value of split-interest trust and annuities	23,542	(3,290)
Deferred compensation	33,533	43,935
Funds held as agency endowments	1,188,554	7,905,165
	<u>(3,666,723)</u>	<u>(4,657,896)</u>
Net Cash Used in Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(578,544)	(63,718)
Purchase of investments	(128,607,055)	(20,981,570)
Proceeds from sales of land held for sale	-	369,039
Proceeds from sales and maturities of investments	137,734,869	22,729,422
	<u>8,549,270</u>	<u>2,053,173</u>
Net Cash Provided by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	4,882,547	(2,604,723)
Cash and Cash Equivalents at Beginning of Year	<u>2,210,664</u>	<u>4,815,387</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 7,093,211</u>	<u>\$ 2,210,664</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

**NOTE 1: STATEMENT OF ORGANIZATION AND PURPOSE**

The San Angelo Area Foundation was incorporated on January 11, 2002, under the laws of the State of Texas as a non-profit corporation. The purpose of the Foundation is to build a legacy of philanthropy by attracting and prudently managing endowed gifts to match donor interests with community needs of the area.

SAAF Holdings, L.L.C. was established on June 7, 2011, under the laws of the State of Texas as a limited liability company with the San Angelo Area Foundation being its sole member. The purpose of SAAF Holdings, L.L.C. is to hold and manage real estate for the benefit of the Foundation.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation

The consolidated financial statements include the accounts of San Angelo Area Foundation and SAAF Holdings, L.L.C. (collectively referred to as the "Foundation"). All significant inter-company transactions and balances have been eliminated in consolidation.

The accounting and reporting policies of the Foundation conform with accounting principles generally accepted in the United States of America. Policies and practices which materially affect the determination of financial position are summarized as follows:

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.



### Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with maturities of three months or less. The Foundation maintains large balances of funds which are held for the benefit of others. These funds are generally held for a relatively short period of time; therefore, it is the policy of the Foundation to avoid market risk and maintain liquidity by holding cash and cash equivalents for a portion of the funds.

### Investments

Investment purchases are recorded at cost, or if donated, at the fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Cash held in certain brokerage accounts is considered a short-term investment. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Market value for investments is based on market indices for those items with a readily ascertainable market value. Hedge funds and private equity funds are valued primarily by the respective fund managers based on the underlying investments.

### Oil and Gas Interests

Oil and gas interests have been valued by management at three times the estimated annual royalty revenues. Any changes in value are considered to be an unrealized gain or loss.

### Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

### Fixed Assets

Fixed assets are stated at cost, or if acquired by gift, at fair market value at the date of the gift. Depreciation and amortization of fixed assets is provided for in amounts sufficient to relate their cost to operations over their estimated useful lives (3-15 years) on a straight-line basis. Depreciation and amortization expense was \$134,269 and \$125,541 for the years ended December 31, 2020 and 2019, respectively.

### Land Held for Sale

Land held for sale was sold during the year ended December 31, 2019, for a gain of \$110,039.

### Beneficial Interest in Remainder Charitable Trust

Beneficial interest in charitable remainder trust represents the amount held for the benefit of the Foundation under an irrevocable trust agreement between a donor and a third-party trustee, and is carried at fair value on the consolidated statements of financial position (see Note 8). The Foundation estimates the fair value of the interest annually and recognizes changes in the fair value as a "Change in value of split-interest agreements" on the consolidated statements of activities.

### Present Value of Annuities

Present value of annuities on the consolidated statements of financial position represents liabilities under charitable gift annuities. At the end of each year, the annuity payable is adjusted to reflect the present value of the amounts owed to the beneficiaries. The Foundation utilized the 2000 CM mortality table in valuing its charitable gift annuities for December 31, 2020 and 2019. Changes in the valuation of this liability are included as either increases or decreases in contribution income. See Note 8 for additional information regarding the Foundation's split-interest agreements, including charitable gift annuities.

### Federal Income Taxes

The San Angelo Area Foundation has been granted an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code in an exemption letter dated July 24, 2002. The Internal Revenue Service has further determined that the Foundation is a publicly supported organization under Section 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

SAAF Holdings, L.L.C. is a disregarded entity for income tax purposes.

In accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*, management has evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that required adjustment to the financial statements to comply with the provisions of this guidance. With a few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2017.

### Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

### Administrative Fees

Administrative fees are assessed against the various funds according to a fee schedule set by the Board of Directors. Administrative fees charged to agency funds are recorded as other income as an increase to net assets without donor restrictions. Administrative fees charged to funds with donor restrictions are a component of net assets released from restrictions.

### Use of 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 amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

### Concentrations of Credit Risk – Cash and Investments

The Foundation maintains cash balances at a financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation also maintains accounts at brokerage firms. The accounts contain cash and securities. Cash and security balances are insured up to \$250,000 and \$500,000, respectively, by the Securities Investor Protection Corporation with a maximum amount of insurance being

\$500,000 for each brokerage firm. At various times during the year, the Foundation may have balances at the financial institution and stock brokerage firms in excess of these limits.

### Endowment Investment and Spending Policies

The Foundation has adopted investment and spending 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. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return amounts sufficient to support the spending policy, net of investment fees. Actual returns in any given year may vary from this objective.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, including those endowments deemed to be underwater, for grant making and administration. The current target spending amount (subject to request for variances) for the Foundation, which includes administrative fees, shall be 5% of the previous twelve month rolling average of the portfolio's market value. In the event a fund has less than twelve quarters of history to average, the average will use the value of the fund at inception and subsequent history, until twelve quarters of historical averages have been accumulated. Accordingly, over the long term, the Foundation expects to provide a total return that provides sufficient assets to fund the Foundation's spending policy. 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 return.

### Subsequent Events

The Foundation has evaluated subsequent events through April 21, 2021, the date the financial statements were available to be issued.

### Recent Accounting Pronouncements

#### *Adopted*

#### ASU 2018-13

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. The amendments in this Update removed the following disclosure requirements: 1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; 2) the policy for timing of transfers between levels; 3) the valuation processes for Level 3 fair value measurements; and 4) for nonpublic entities, the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. The amendments in this Update modified the following disclosure requirements: 1) in lieu of a rollforward for Level 2 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities; 2) for investments in certain entities that calculate net asset value, and entity is required to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly; and 3) the amendments clarify that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement

as of the reporting date. The amendments in this disclosure also added disclosure requirements to Topic 820; however, these added disclosures are only required for public entities. The Foundation adopted this standard retrospectively during the year ended December 31, 2020.

*Not adopted*

ASU 2016-02

The FASB finalized the standard on leases in ASU 2016-02 *Leases* in February 2016. This update was to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The core principle is that the lessee should recognize the assets and liabilities that arise from leases. All leases create an asset and a liability for the lessee and therefore recognition of those lease assets and lease liabilities represent an improvement over previous GAAP. Under the guidance a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. Additional guidelines for finance leases, operating leases and lessors is included in the guidance. The amendments under ASU 2020-05 defer the effective date for one year for entities within the “all other” category, which includes the Foundation. Therefore, under the amendment the standard is effective for entities within the “all other” category for fiscal years beginning after December 15, 2021. No significant impact is expected for the financial statements of the Foundation.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the American Institute of Certified Public Accountants did not or are not believed by management to have a material impact on the Foundation’s present or future financial statements.

**NOTE 3: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the December 31, 2020 statement of financial position date, comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 7,093,211
Investments at market	<u>162,440,109</u>
Total Financial assets	169,533,320
Less:	
Endowed funds	(86,618,727)
Funds held as agency endowments	(45,517,106)
Quasi-endowed funds	<u>(37,688,754)</u>
	(169,824,587)
Add: Available to spend for endowed funds (5%)	8,491,229
Add: Non-financial assets included in endowed and quasi-endowed funds	<u>3,631,889</u>
	12,123,118
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 11,831,851</u>

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the December 31, 2019 balance sheet date, comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 2,210,664
Investments at market	<u>157,497,622</u>
Total Financial assets	159,708,286
Less:	
Endowed funds	(79,913,969)
Funds held as agency endowments	(44,328,552)
Quasi-endowed funds	<u>(36,311,065)</u>
	(160,553,586)
Add: Available to spend for endowed funds (5%)	8,027,679
Add: Non-financial assets included in endowed and quasi-endowed funds	<u>3,201,045</u>
	11,228,724
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 10,383,424</u>

Donor restricted endowment funds are not available for general expenditures. Endowed funds are funds that the donor intends the original gift amount to be maintained in perpetuity. Quasi-endowed funds are treated as endowed, however, the donor has made a recommendation that should the fair value of the fund fall below the original gift amount, distributions may still be made according to the fund agreement. The Foundation's spending policy is 5% of the previous twelve quarter average of the fund's value.

All of the financial assets included are marketable investments that can easily be converted to cash. Illiquid assets are not included in the financial assets noted above.

#### NOTE 4: INVESTMENTS

The securities held by the Foundation in its name consist of the following investment groups at December 31 :

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Cash held for investments	\$ 270,162	\$ 270,162	\$ 1,205,848	\$ 1,205,848
Equities	14,246,518	14,537,080	19,749	19,749
Mutual Funds & ETFs	132,452,908	140,930,233	133,921,928	151,990,697
Corporate obligations	150,100	150,735	-	-
Government and agency securities	4,169,748	4,175,148	-	-
Alternative investments	263,048	221,751	296,624	255,328
Certificates of deposit	<u>2,155,000</u>	<u>2,155,000</u>	<u>4,026,000</u>	<u>4,026,000</u>
Total	<u>\$ 153,707,484</u>	<u>\$ 162,440,109</u>	<u>\$ 139,470,149</u>	<u>\$ 157,497,622</u>

**NOTE 5: PROPERTY AND EQUIPMENT**

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

	<u>2020</u>	<u>2019</u>
Cost:		
Land	\$ 222,954	\$ 222,954
Land improvements	582,538	567,373
Computer software	73,159	73,159
Building	2,855,217	2,855,217
Leasehold improvements	531,768	-
Furniture and equipment	180,817	160,945
Construction in progress	-	4,725
	<hr/>	<hr/>
Total cost	4,446,453	3,884,373
Less accumulated depreciation and amortization	<u>(778,278)</u>	<u>(659,034)</u>
Net book value	<u>\$ 3,668,175</u>	<u>\$ 3,225,339</u>

**NOTE 6: COMMITMENTS AND CONTINGENCIES**Grants

At December 31, 2020, conditional grants payable were due in future years as follows:

<u>Year ending December 31,</u>	
2021	\$ 1,200,266
2022	793,558
2023	451,678
2024	<u>146,320</u>
	<u>\$ 2,591,822</u>

Conditional grants are composed of \$2,421,822 for various scholarships, and \$170,000 for other miscellaneous purposes.

COVID-19

The COVID-19 outbreak in the United States has created economic uncertainties which has contributed to increased volatility in financial markets. The extent of the impact on future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on the Foundation's underlying investments, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Foundation's future financial condition or results of operations is uncertain.

**NOTE 7: LEASES**

The San Angelo Area Foundation currently leases office space from SAAF Holdings, L.L.C under no obligation. Rental expense was \$64,800 for the years ended December 31, 2020 and 2019, and has been eliminated for report purposes.

The Foundation leases office space to multiple unrelated third parties. These lease arrangements are considered operating leases to the Foundation. Lease income, excluding the related party rental income, was \$147,034 and \$127,479 for the years ended December 31, 2020 and 2019, respectively. Rental income is included in the line item “net investment return” in the consolidated statements of activities. Anticipated rental income from uncancellable leases due in future years are as follows:

<u>Year ending December 31,</u>	
2021	\$ 215,786
2022	180,098
2023	117,242
2024	108,542
2025	<u>463,601</u>
	<u>\$ 1,085,269</u>

The Foundation has an arrangement with a tenant by which the Foundation has paid for certain leasehold improvements and the tenant is paying these back over a period of one hundred and eighty (180) months, beginning August 1, 2020. These payments are in the amount of \$4,545 per month, which includes interest at a rate of 6.5% per annum. The tenant’s lease is cancelable after sixty (60) months, at which point the tenant would be required to pay the outstanding principal balance of the amounts due for leasehold improvements. The original principal balance of these improvements was \$521,767. As of December 31, 2020, the outstanding principal balance was \$513,079. The total leasehold improvement payment, including interest and principal, is included in rental income. In the rental income schedule above the principal and interest payments are included through the cancelable date, July 30, 2025, and the outstanding principal balance at that point in time, \$400,285, is included in the amounts due in 2025.

Leased property and equipment (included in Note 5) consisted of the following at December 31,:

	<u>2020</u>	<u>2019</u>
Cost:		
Building	\$ 1,184,875	\$ 1,184,875
Leasehold improvements	531,768	-
Construction in progress	-	<u>4,725</u>
Total cost	1,716,643	1,189,600
Less accumulated depreciation and amortization	<u>(188,207)</u>	<u>(153,046)</u>
Net book value	<u>\$ 1,528,436</u>	<u>\$ 1,036,554</u>

**NOTE 8: SPLIT-INTEREST AGREEMENTS**

At December 31, 2020 and 2019, the Foundation had liabilities under charitable gift annuities amounting to \$101,057 and \$77,515, respectively. Under the agreements, the Foundation is required to make annual payments to beneficiaries of \$13,862. The change in value of the liability for the charitable gift annuities was (\$7,201) and (\$6,872) for the years ended December 31, 2020 and 2019, respectively, and is included in the consolidated statement of activities as a reduction in contributions.

The Foundation is the remainder beneficiary of an irrevocable charitable remainder trust. The assets of the trust are held by a third-party trustee. The trust provides for the payment of distributions to a third-party beneficiary over the trust's term, which is the designated beneficiary's lifetime. At the end of the trust's term, the remaining assets are to be distributed to the Foundation. The Foundation estimates the present value of the future benefits expected to be received at the end of the trust's term based on the designated beneficiary's life expectancy utilizing the 2000 CM mortality table, and a discount rate of 0.6% and 2% at December 31, 2020 and 2019, respectively. The fair value of the beneficial interest was \$9,009,512 and \$10,827,101 at December 31, 2020 and 2019, respectively. The change in value of the beneficial interest was (\$1,817,588) and \$1,796,967 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 9: FUNDS HELD AS AGENCY ENDOWMENTS**

The Foundation adopted ASC 958, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This statement 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. ASC 958 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 endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, in accordance with ASC 958, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

At December 31, 2020 and 2019, the Foundation held seventy-eight (78) agency endowment funds, with a combined fair value of \$45,517,106 and \$44,328,552, respectively. All financial activity for the years then ended related to these funds are segregated on the consolidated statements of activities and have been reclassified to the agency endowment liability.

The following is a progression of the liability for funds held as agency endowments as of December 31:

	2020	2019
Beginning balance	\$ 44,328,552	\$ 36,423,387
Contributions	1,452,643	2,180,037
Net investment return	3,350,510	6,895,577
Grants	(3,461,507)	(1,014,113)
Administrative fees	(153,058)	(156,323)
Other expenses	(34)	(13)
Ending balance	\$ 45,517,106	\$ 44,328,552



**NOTE 10: NET ASSETS**

Total net assets consist of the following at December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	\$ 1,433,492	\$ 85,185,235	\$ 86,618,727
Non-endowment funds:			
Undesignated	1,689,140	-	1,689,140
Field of interest	-	7,928,128	7,928,128
Scholarship	-	6,112,451	6,112,451
Donor advised	-	17,195,480	17,195,480
Designated	-	7,772,945	7,772,945
Total non-endowment funds	<u>1,689,140</u>	<u>39,009,004</u>	<u>40,698,144</u>
Split-interest agreements and perpetual trusts	<u>-</u>	<u>9,009,512</u>	<u>9,009,512</u>
Total Net Assets	<u>\$ 3,122,632</u>	<u>\$ 133,203,751</u>	<u>\$ 136,326,383</u>

Total net assets consist of the following at December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	\$ 1,341,557	\$ 78,572,412	\$ 79,913,969
Non-endowment funds:			
Undesignated	1,565,575	-	1,565,575
Field of interest	-	7,660,114	7,660,114
Scholarship	-	5,736,982	5,736,982
Donor advised	-	17,023,701	17,023,701
Designated	-	6,567,868	6,567,868
Total non-endowment funds	<u>1,565,575</u>	<u>36,988,665</u>	<u>38,554,240</u>
Split-interest agreements and perpetual trusts	<u>-</u>	<u>10,827,101</u>	<u>10,827,101</u>
Total Net Assets	<u>\$ 2,907,132</u>	<u>\$ 126,388,178</u>	<u>\$ 129,295,310</u>

**NOTE 11: ENDOWMENTS**

The Foundation's Board of Directors has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity: (a) the original value of initial and subsequent gift amounts donated to the Endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation is governed subject to the governing documents of the Foundation and the majority of contributions are received subject to the terms of the governing document. These governing documents give the Foundation variance power over these contributions. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation. Endowments recorded as a component of net assets without donor restrictions contain no purpose restrictions, and although subject to donor imposed time restrictions, these funds are subject to the Foundation's governing documents, and are thereby considered a component of net assets without donor restrictions. Contributions subject to the Foundation's governing documents are only recorded as a component of net assets with donor restrictions if the contribution contains a purpose restriction.

Under the terms of the governing documents, the Board of Directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the Foundation and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and appreciation of the investments,
6. Other resources of the Foundation, and
7. The investment policies of the Foundation.

Changes in endowment net assets consist of the following at December 31,:

	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of year	\$ 79,913,969	\$ 64,778,471
Net investment return	6,567,999	13,485,520
Contributions	2,750,458	4,528,906
Reclassifications – donor directed	(102,048)	(840)
Amounts appropriated for expenditure	(2,019,827)	(2,389,150)
Administrative fees	(491,824)	(488,938)
Endowment net assets, end of year	<u>\$ 86,618,727</u>	<u>\$ 79,913,969</u>

“RECLASSIFICATION – DONOR DIRECTED” included on the consolidated statements of activities for the year ended December 31, 2020 and 2019, represents amounts that have been reclassified by management due to a change requested by the grantor or other circumstances that have changed the purpose or restriction related to the original contributions.

The Foundation considers an endowed fund to be underwater if the fair value of the fund is less than the original value of the initial and subsequent gift amounts donated to the fund. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Each endowment fund requires that the funds be managed in accordance with the Foundation’s governing instruments. The Foundation has a policy that permits spending from underwater endowment funds when market conditions may cause the market value of the fund to become less than the principal. It is the policy of the Board to suspend distributions when the market value of the endowed fund, at the preceding year end, is less than eighty percent (80%) of the principal, unless specifically restricted or allowed in the gift agreement. Distributions may resume when the market value of the fund equals at least ninety percent (90%) of the principal, as of the close of the previous quarter. This policy will allow distributions to occur during cyclical movement in fund value during adverse market conditions. From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowments and continued appropriation for certain programs that was deemed prudent by the Board. Management believes the unrealized losses are temporary and are caused by general market fluctuations. Management has the intent and ability to hold the investments until recovery of market value.

Underwater endowment funds at December 31,:

	<u>2020</u>	<u>2019</u>
Original gift amount	\$ 10,667,076	\$ 11,698,326
Fair value at year end	<u>10,320,028</u>	<u>11,475,465</u>
Deficiency at year end	<u>\$ 347,048</u>	<u>\$ 222,861</u>

**NOTE 12: FAIR VALUE MEASUREMENTS**

The Foundation has adopted ASC 820, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilized valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Quoted prices for identical assets and liabilities traded in active exchange markets.

*Level 2* – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

*Level 3* – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

For fiscal years ended December 31, 2020 and 2019, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value.

*Cash value of life insurance:* valued at the carrying amount (cash surrender value) reported in the statements of financial position which approximates fair value.

*Stocks, equity securities and fixed income:* valued at the closing price reported on the active market on which the individual securities are traded. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

*Mutual fund and ETFs:* valued at the net asset value of shares held at year end at the closing price reported on the active market.

*Alternative investments:* valued based on models externally developed by management of the respective instrument using unobservable inputs to the limited market activity of the partnership. Where external valuations were not available, cost is utilized which approximates fair value.

*Beneficial interest in charitable remainder trust:* valued based on the present value of the future distributions expected to be received over the trust term based on the designated beneficiary's life expectancy and a discount rate.

*Cash held for investments and certificates of deposit:* cash is valued at its denomination amount and certificates of deposit are valued at their current principal balance which approximates fair value.

*Oil and gas interests:* valued at the monthly cash flow received from the properties since ownership was conveyed multiplied by thirty-six months to estimate future cash flows expected.

*Present value of annuities:* recorded at the present value of estimated amounts due to income beneficiaries of the agreements based on Internal Revenue Service annuity and mortality tables.

The fair value of each asset and liability in the tables below was measured using FASB ASC 820 input guidance and valuation techniques. The following tables set forth carrying amounts and estimated fair values of assets and liabilities measured and recorded at fair value on a recurring and non-recurring basis at December 31, 2020 and 2019:

Description	December 31, 2020			
	Total	Level 1	Level 2	Level 3
<b>Recurring Fair Value Measurements:</b>				
Cash held for investments	\$ 270,162	\$ 270,162	\$ -	\$ -
Equity securities:				
Basic materials	321,613	321,613	-	-
Consumer goods & services	3,245,710	3,245,710	-	-
Energy	318,812	318,812	-	-
Financial	960,921	941,172	19,749	-
Healthcare	2,403,309	2,403,309	-	-
Industrials	1,832,307	1,832,307	-	-
Technology	4,498,808	4,498,808	-	-
Utilities	371,716	371,716	-	-
Other	583,884	583,884	-	-
Fixed Income:				
Corporate obligations	150,735	-	150,735	-
Government & agency securities	4,175,148	-	4,175,148	-
Mutual funds & ETFs:				
Large value	9,874,440	9,874,440	-	-
Large blend	33,757,006	33,757,006	-	-
Large growth	20,125,901	20,125,901	-	-
Emerging markets	1,240,464	1,240,464	-	-
Fixed income	15,298,722	15,298,722	-	-
Intermediate government	6,178,477	6,178,477	-	-
International	54,451,283	54,451,283	-	-
Other	3,940	3,940	-	-
Alternative investments	221,751	-	-	221,751
Certificates of deposit	2,155,000	2,155,000	-	-
Beneficial interest in charitable remainder trust	9,009,512	5,986,509	2,304,577	718,426
Cash value of life insurance	30,789	-	-	30,789
Oil and gas interests	60,506	-	-	60,506
Total	<u>\$ 171,540,916</u>	<u>\$ 163,859,235</u>	<u>\$ 6,650,209</u>	<u>\$ 1,031,472</u>
Present value of annuities	<u>\$ 101,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,057</u>

Description	December 31, 2019			
	Total	Level 1	Level 2	Level 3
<b>Recurring Fair Value Measurements:</b>				
Cash held for investments	\$ 1,205,848	\$ 1,205,848	\$ -	\$ -
Equity securities:				
Financial	19,749	-	19,749	-
Mutual funds:				
Small growth	3,371,637	3,371,637	-	-
Small blend	2,835,888	2,835,888	-	-
Small value	18,013,022	18,013,022	-	-
Medium value	37,892,535	37,892,535	-	-
Large value	8,373,677	8,373,677	-	-
Large blend	17,168,078	17,168,078	-	-
Large growth	5,970,595	5,970,595	-	-
Moderate allocation	1,879,297	1,879,297	-	-
Emerging markets	17,786,239	17,786,239	-	-
Fixed income	36,135,009	36,135,009	-	-
International	2,564,720	2,564,720	-	-
Alternative investments	255,328	-	-	255,328
Certificates of deposit	4,026,000	4,026,000	-	-
Beneficial interest in charitable remainder trust	10,827,101	4,281,208	2,736,484	3,809,409
Cash value of life insurance	30,789	-	-	30,789
Oil and gas interests	64,300	-	-	64,300
Total	<u>\$ 168,419,812</u>	<u>\$ 161,503,753</u>	<u>\$ 2,756,233</u>	<u>\$ 4,159,826</u>
Present value of annuities	<u>\$ 77,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,515</u>

**NOTE 13: RETIREMENT PLAN**

On January 1, 2007, the Foundation converted their 403(b) plan to a Safe Harbor 401(k) profit sharing plan. All employees previously covered by the 403(b) plan were automatically eligible for the 401(k) plan. The plan is available to all employees over the age of twenty-one who have completed twelve consecutive months of service with a minimum of 1,000 service hours. The Foundation may elect to make matching contributions up to 6% of an employees' salary. The Foundation's cost related to the retirement plan for the years ended December 31, 2020 and 2019, was \$30,652 and \$27,104, respectively.

**NOTE 14: DEFERRED COMPENSATION PLAN**

The Foundation entered into a deferred bonus compensation plan during 2014 in which the Foundation agreed to pay the executive director a deferred bonus upon retirement age in 2024. An annual base amount is awarded which is adjusted based on the return of the Foundation for that specific year. The Foundation has accrued a liability based on the service rendered since inception and will continue to accrue a liability over the expected service period. At December 31, 2020 and 2019, the accrual totaled \$186,280 and \$152,747, respectively.

**NOTE 15: EXPENSES BY NATURE AND FUNCTION**

The table below presents expenses by both their nature and their function for the year ended December 31, 2020.

	Program Services	Management and General	Fundraising	Total
Grants and distributions	\$ 12,203,474	\$ -	\$ -	\$ 12,203,474
Personnel	212,148	337,435	207,055	756,638
Professional fees	-	36,366	-	36,366
Information technology and office expenses	42,572	70,592	43,316	156,480
Promotion	-	-	53,226	53,226
Bank charges	69,072	3,076	1,885	74,033
Depreciation	60,055	45,997	28,217	134,269
Insurance	6,537	10,840	6,651	24,028
Utilities	5,894	9,774	5,998	21,666
Repairs and maintenance	13,459	22,317	13,694	49,470
Other	17,428	28,897	17,732	64,057
	<u>\$ 12,630,639</u>	<u>\$ 565,294</u>	<u>\$ 377,774</u>	<u>\$ 13,573,707</u>

The table below presents expenses by both their nature and their function for the year ended December 31, 2019.

	Program Services	Management and General	Fundraising	Total
Grants and distributions	\$ 12,027,595	\$ -	\$ -	\$ 12,027,595
Personnel	201,966	323,048	152,023	677,037
Professional fees	4,523	49,281	3,502	57,306
Information technology and office expenses	38,199	62,843	29,573	130,615
Promotion	-	-	52,325	52,325
Bank charges	-	3,182	26,674	29,856
Depreciation	36,715	60,402	28,424	125,541
Insurance	7,228	11,892	5,596	24,716
Utilities	5,591	9,199	4,329	19,119
Repairs and maintenance	8,992	14,794	6,962	30,748
Other	23,786	39,131	18,414	81,331
	<u>\$ 12,354,595</u>	<u>\$ 573,772</u>	<u>\$ 327,822</u>	<u>\$ 13,256,189</u>

Expenses which apply to more than one functional category have been allocated among program services, management and general, and fundraising based on the time spent on these functions by specific employees as estimated by management. Indirect expenses such as facilities costs are allocated based on square footage used by functional departments. Other indirect expenses, such as information technology and general office supplies are allocated based on the overall number of staff in the various functional categories. All other costs are charged directly to the appropriate functional category.

**NOTE 16: PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

The Foundation was granted a \$103,700 loan under the Paycheck Protection Program (“PPP”) administered by a Small Business Administration (“SBA”) approved partner on April 10, 2020. The loan was uncollateralized and fully guaranteed by the Federal government. The Foundation initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. In November of 2020, the Foundation received notification from the SBA approved partner that the SBA had accepted the Foundation’s application for loan forgiveness. The Foundation has recognized the \$103,700 as a grant and it is included as an increase to net assets without donor restrictions in the line item “Total amounts raised” on the consolidated statement of activities for the year ended December 31, 2020.



**SUPPLEMENTARY INFORMATION**

April 21, 2021

**Board of Directors  
San Angelo Area Foundation  
San Angelo, Texas**

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

We have audited the consolidated financial statements of San Angelo Area Foundation (the "Foundation") as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon, dated April 21, 2021, which contained an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Condley and Company, L.L.P.*

Certified Public Accountants

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2020

	<u>San Angelo Area Foundation</u>	<u>SAAF Holdings, L.L.C.</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 6,835,561	\$ 257,650
Investments at market	162,440,109	
Investment in SAAF Holdings, L.L.C.	3,133,706	
Beneficial interest in charitable remainder trust	9,009,512	
Fixed assets, net	36,286	3,631,889
Oil and gas interests	60,506	
Other assets	30,789	
Due from SAAF Holdings, L.L.C.	586,242	
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>182,132,711</u>	\$ <u>3,889,539</u>
 <u>LIABILITIES, NET ASSETS AND MEMBER'S EQUITY</u>		
LIABILITIES:		
Accounts payable	\$ 1,885	\$
Deferred income		169,591
Present value of annuities	101,057	
Deferred compensation	186,280	
Due to San Angelo Area Foundation		586,242
Funds held as agency endowments	45,517,106	
	<hr/>	<hr/>
Total Liabilities	45,806,328	755,833
NET ASSETS AND MEMBER'S EQUITY:		
Without donor restrictions	3,122,632	
With donor restrictions	133,203,751	
Member's equity		3,133,706
	<hr/>	<hr/>
Net Assets	136,326,383	3,133,706
	<hr/>	<hr/>
TOTAL LIABILITIES, NET ASSETS AND MEMBER'S EQUITY	\$ <u>182,132,711</u>	\$ <u>3,889,539</u>

<u>Eliminations</u>	<u>Consolidated San Angelo Area Foundation</u>
\$	\$
	7,093,211
	162,440,109
(3,133,706)	-
	9,009,512
	3,668,175
	60,506
	30,789
<u>(586,242)</u>	<u>-</u>
\$ <u><u>(3,719,948)</u></u>	\$ <u><u>182,302,302</u></u>

\$	\$
	1,885
	169,591
	101,057
	186,280
(586,242)	-
<u>-</u>	<u>45,517,106</u>
<u>(586,242)</u>	<u>45,975,919</u>

	3,122,632
	133,203,751
<u>(3,133,706)</u>	<u>-</u>
<u>(3,133,706)</u>	<u>136,326,383</u>
\$ <u><u>(3,719,948)</u></u>	\$ <u><u>182,302,302</u></u>

**SAN ANGELO AREA FOUNDATION**  
**San Angelo, Texas**

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	<u>San Angelo Area Foundation Without Donor Restrictions</u>	<u>SAAF Holdings, L.L.C. Without Donor Restrictions</u>	<u>Eliminations</u>
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Total amounts raised	\$ 327,722	\$	\$
Less: amounts received for agency endowments Contributions	<u>327,722</u>	<u>-</u>	<u>-</u>
Net investment return	190,284	188,658	27,667
Less: net investment return for agency endowments Net investment return	<u>190,284</u>	<u>188,658</u>	<u>27,667</u>
Total other income	183,152		(30,000)
Less: other income for agency endowments Other income	<u>183,152</u>	<u>-</u>	<u>(30,000)</u>
Net assets released from restrictions	<u>9,274,519</u>		
Total Revenues, Gains and Other Support	<u>9,975,677</u>	<u>188,658</u>	<u>(2,333)</u>
<b>GRANTS AND EXPENSES:</b>			
Total grants and distributions	12,203,474		
Less: grants and distributions made from agency endowments	<u>(3,461,507)</u>		
Grants and distributions	8,741,967	-	-
Total other program expenses	348,377	96,417	(17,629)
Less: other program expenses from agency endowments	<u>(34)</u>		
Other program expenses	348,343	96,417	(17,629)
Total management and general	498,650	95,877	(29,233)
Less: management and general from agency endowments			
Management and general	<u>498,650</u>	<u>95,877</u>	<u>(29,233)</u>
Fundraising expense	<u>336,881</u>	<u>58,831</u>	<u>(17,938)</u>
Total Grants and Expenses	<u>9,925,841</u>	<u>251,125</u>	<u>(64,800)</u>
Change in value of split-interest agreements			
RECLASSIFICATIONS - DONOR DIRECTED	<u>165,664</u>		
CHANGE IN NET ASSETS	215,500	(62,467)	62,467
NET ASSETS AT BEGINNING OF YEAR	<u>2,907,132</u>	<u>3,196,173</u>	<u>(3,196,173)</u>
NET ASSETS, END OF YEAR	<u>\$ 3,122,632</u>	<u>\$ 3,133,706</u>	<u>\$ (3,133,706)</u>

Consolidated San Angelo Area Foundation		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 327,722	\$ 10,409,946	\$ 10,737,668
	(1,452,643)	(1,452,643)
<u>327,722</u>	<u>8,957,303</u>	<u>9,285,025</u>
406,609	12,466,551	12,873,160
	(3,350,510)	(3,350,510)
<u>406,609</u>	<u>9,116,041</u>	<u>9,522,650</u>
153,152		153,152
		-
<u>153,152</u>	<u>-</u>	<u>153,152</u>
9,274,519	(9,274,519)	-
<u>10,162,002</u>	<u>8,798,825</u>	<u>18,960,827</u>
12,203,474		12,203,474
(3,461,507)		(3,461,507)
<u>8,741,967</u>	<u>-</u>	<u>8,741,967</u>
427,165		427,165
(34)		(34)
<u>427,131</u>	<u>-</u>	<u>427,131</u>
565,294		565,294
		-
<u>565,294</u>	<u>-</u>	<u>565,294</u>
377,774		377,774
<u>10,112,166</u>	<u>-</u>	<u>10,112,166</u>
	(1,817,588)	(1,817,588)
<u>165,664</u>	<u>(165,664)</u>	<u>-</u>
215,500	6,815,573	7,031,073
2,907,132	126,388,178	129,295,310
<u>\$ 3,122,632</u>	<u>\$ 133,203,751</u>	<u>\$ 136,326,383</u>