San Antonio Area Foundation
Where Giving and Community Connect

San Antonio Area Foundation

Consolidated Financial Statements and Supplementary Information

December 31, 2020 and 2019

cf NATIONAL STANDARDS™ Confirmed in compliance with U.S. Standards for Community Foundations

Contents

RSM US LLP

Independent Auditor's Report

Audit Committee and the Board of Directors
San Antonio Area Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of San Antonio Area Foundation (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of San Antonio Area Foundation as of December 31, 2020 and 2019, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

San Antonio, Texas
October 20, 2021

San Antonio Area Foundation

Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 35,319,660	$ 63,976,662
Receivables:		
Accounts receivable and other receivables, net	1,006,517	1,847,391
Contributions receivable, net	12,137,346	11,706,708
Notes receivable	412,515	587,143
Total receivables	13,556,378	14,141,242
Investments:		
Cash equivalent funds and securities	402,852,757	361,966,439
Limited liability companies and partnerships	37,759,608	48,109,022
Oil and gas interests	9,469,354	18,604,198
Real estate	597,500	713,000
Real estate, leasing and theater operations, net	340,307,161	357,110,965
Total investments	790,986,380	786,503,624
Prepaid expenses and other assets	18,409,170	6,710,347
Beneficial interest in trusts	102,461,755	91,334,043
Headquarters and equipment, net	1,216,565	1,379,181
Goodwill	74,543,320	89,279,798
Collections (Note 8)	-	-
Total assets	$ 1,036,493,228	$ 1,053,324,897
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 12,486,131	$ 15,625,123
Grants and scholarships payable, net	1,274,376	4,183,068
Deferred revenue	2,964,319	2,326,321
Interest rate swaps	1,232,420	234,243
Charitable gift annuities payable	303,587	367,534
Other liabilities	666,638	726,471
Long-term debt	74,578,426	86,816,260
Charitable funds held for the benefit of other organizations	14,656,112	13,282,207
Total liabilities	108,162,009	123,561,227
Net assets:		
Without donor restrictions:		
Designated for reserve fund	8,565,367	7,453,995
Donor advised and other designated funds	254,641,970	234,500,848
Undesignated funds	6,411,377	4,732,182
Total without donor restrictions	269,618,714	246,687,025
With donor restrictions	658,712,505	683,076,645
Total with donor restrictions	658,712,505	683,076,645
Total net assets	928,331,219	929,763,670
Total liabilities and net assets	$ 1,036,493,228	$ 1,053,324,897

See notes to consolidated financial statements.

San Antonio Area Foundation

Consolidated Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Foundation:			
Contributions and grants	$ 59,539,148	$ 2,802,253	$ 62,341,401
Investment income, net	4,885,241	7,138,105	12,023,346
Net realized and unrealized gains on investments	13,770,318	10,518,114	24,288,432
Mineral interest revenue, net	968,387	261,400	1,229,787
Change in value of beneficial interest in trusts	(35,662)	11,925,385	11,889,723
Change in value of gift annuities	(27,273)	(39,151)	(66,424)
Program revenue	158,528	-	158,528
Other income	436,796	908	437,704
Net assets released from restriction	8,312,353	(8,312,353)	-
	88,007,836	24,294,661	112,302,497
Enterprises:			
Theater box office, concessions and other theater revenue	-	23,584,941	23,584,941
Rental income	-	12,605,675	12,605,675
Interest income	-	455,324	455,324
Investment income, net	-	(7,607,558)	(7,607,558)
Other income	-	1,855,112	1,855,112
Change in net unrealized loss on interest rate swaps	-	(998,177)	(998,177)
Net assets released from restriction	78,554,118	(78,554,118)	-
	78,554,118	(48,658,801)	29,895,317
Total revenues and support	166,561,954	(24,364,140)	142,197,814
Expenses:			
Foundation:			
Grants and scholarships	61,269,706	-	61,269,706
Program services	7,024,545	-	7,024,545
Fundraising	492,020	-	492,020
General and administrative	7,656,338	-	7,656,338
Federal taxes	(11,366,462)	-	(11,366,462)
	65,076,147	-	65,076,147
Enterprises:			
Theater and real estate operations	56,395,291	-	56,395,291
General and administrative	4,682,002	-	4,682,002
Impairment Charges	17,036,825	-	17,036,825
Income tax	440,000	-	440,000
	78,554,118	-	78,554,118
Total expenses	143,630,265	-	143,630,265
Change in net assets	22,931,689	(24,364,140)	(1,432,451)
Net assets at beginning of year	246,687,025	683,076,645	929,763,670
Net assets at end of year	$ 269,618,714	$ 658,712,505	$ 928,331,219

See notes to consolidated financial statements.

San Antonio Area Foundation

Consolidated Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Foundation:			
Contributions and grants	$ 38,354,534	$ 73,687,519	$ 112,042,053
Investment income, net	5,054,157	12,840,447	17,894,604
Net realized and unrealized gains on investments	13,435,358	14,353,063	27,788,421
Mineral interest revenue, net	2,936,627	555,933	3,492,560
Change in value of beneficial interest in trusts	(63,477)	7,217,201	7,153,724
Change in value of gift annuities	(85,437)	(46,286)	(131,723)
Program revenue	432,886	-	432,886
Other income	193,517	67,372	260,889
Net assets released from restriction	26,738,551	(26,738,551)	-
	86,996,716	81,936,698	168,933,414
Enterprises:			
Theater box office, concessions and other theater revenue	-	94,386,491	94,386,491
Rental income	-	12,056,603	12,056,603
Interest income	-	1,324,195	1,324,195
Investment income, net	-	597,406	597,406
Change in net unrealized loss on interest rate swaps	-	(1,286,886)	(1,286,886)
Net assets released from restriction	99,528,854	(99,528,854)	-
	99,528,854	7,548,955	107,077,809
Total revenues and support	186,525,570	89,485,653	276,011,223
Expenses:			
Foundation:			
Grants and scholarships	41,838,411	-	41,838,411
Program services	6,010,502	-	6,010,502
Fundraising	693,424	-	693,424
General and administrative	7,622,307	-	7,622,307
Federal taxes	(1,101,390)	-	(1,101,390)
	55,063,254	-	55,063,254
Enterprises:			
Theater and real estate operations	88,913,373	-	88,913,373
General and administrative	10,310,292	-	10,310,292
Income tax	305,189	-	305,189
	99,528,854	-	99,528,854
Total expenses	154,592,108	-	154,592,108
Change in net assets	31,933,462	89,485,653	121,419,115
Net assets at beginning of year	214,753,563	593,590,992	808,344,555
Net assets at end of year	$ 246,687,025	$ 683,076,645	$ 929,763,670

See notes to consolidated financial statements.

San Antonio Area Foundation

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ (1,432,451)	$ 121,419,115
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Impairment of long-lived assets and goodwill	17,036,825	1,668,161
Provision for bad debts	414,015	50,346
Depreciation and amortization	17,538,493	16,934,510
Amortization of deferred financing costs	18,893	312,504
Net realized and unrealized (gains) losses on investments	(17,646,487)	(27,788,421)
Change in value of beneficial interest in trusts	(11,088,559)	(7,153,724)
Change in value of interest rate swaps	998,177	1,286,886
(Gains) losses on sale of property and equipment, land held for investment and land held for sale	272,791	(503,882)
Noncash contributions	9,048,019	(59,719,454)
Interest earned on notes receivable	(12,320)	(11,623)
Net change in:		
Accounts receivable and other receivables, net	579,675	(7,178,710)
Contributions receivable, net	(430,638)	847,578
Prepaid expenses and other assets	(11,292,512)	(2,088,084)
Accounts payable and accrued expenses	(3,127,887)	(3,743,498)
Grants payable and scholarship payable, net	(2,908,692)	(3,032,745)
Deferred revenue	626,893	(1,417,134)
Other liabilities	(59,833)	(1,763)
Charitable funds held for the benefit of other organizations	1,373,905	(2,791,582)
Net cash provided by operating activities	(91,693)	27,088,480
Cash flows from investing activities:		
Purchases of property and equipment	(2,889,586)	(34,011,911)
Proceeds from sale of assets	10,126	5,577,353
Collections on notes receivable	186,949	285,248
Purchases of investments	(98,280,991)	(166,363,306)
Proceeds from sale of investments	84,713,287	138,539,960
Proceeds from life insurance policy	726,793	-
Net cash used in investing activities	(15,533,422)	(55,972,656)
Cash flows from financing activities:		
Payments on long-term debt	(87,346,555)	(19,695,238)
Proceeds from long-term debt	75,240,431	16,762,000
Net increase in liabilities due to annuitants	(63,947)	17,887
Payment of deferred financing fees	(861,816)	(13,820)
Net cash provided by (used in) financing activities	(13,031,887)	(2,929,171)
Net decrease in cash and cash equivalents	(28,657,002)	(31,813,347)
Cash and cash equivalents at beginning of year	63,976,662	95,790,009
Cash and cash equivalents at end of year	$ 35,319,660	$ 63,976,662

(Continued)

San Antonio Area Foundation

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2020 and 2019

	2020	2019
Supplemental disclosures of cash flow information:		
Cash paid for taxes	$ -	$ 137,047
Cash paid for interest	$ 3,145,594	$ 3,951,925
Supplemental disclosures of noncash flow information:		
Transfer of land and land held for investment to land held for sale	$ -	$ 9,296,001
Accounts payable included in construction in progress and investments	$ -	$ -
Refinance debt	$ -	$ -
Land contributed for investments	$ -	$ -

See notes to consolidated financial statements.

Note 1. Foundation and Significant Accounting Policies

Description of the organization: The San Antonio Area Foundation (the Foundation) is a community trust established to promote, guide and manage philanthropy for the benefit of the residents of the San Antonio metropolitan area, Bexar County and surrounding counties. The Foundation, incorporated on October 26, 1983, is a Texas nonprofit corporation without members or capital stock and is operated for religious, charitable, scientific, public safety, literary, educational, prevention of cruelty to children or animals and fostering national and international amateur sports competition purposes. Under the San Antonio Area Foundation Plan (the Plan), any individual, family, corporation or business may establish a trust under the Plan.

The accompanying consolidated financial statements include all funds held by or created for the benefit of the Foundation and its supporting organizations. The Foundation and its supporting organizations are recognized as public charities and have received determination letters from the Internal Revenue Service indicating they are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code (the Code).

Basis of consolidation: The consolidated financial statements include the accounts of the Foundation (and all trusts created under the Plan), the supporting organizations and the various real estate entities. The Foundation has an economic interest in and maintains control of, through appointment of a majority of the members of the Board of Directors, each supporting organization. Throughout the consolidated financial statements, the consolidated entities are collectively referred to as the Foundation. All intercompany transactions and balances have been eliminated in the consolidated financial statements. The supporting organizations and their year of incorporation include:

- Gunn Family Foundation (1994)
- Richmond Family Foundation (2006)
- Warm Springs Foundation, Inc. (2007)
- Rapier Educational Foundation (2010)
- Choose to Succeed (2012)
- Friends of the Carver Academy/IDEA (2013)
- City Education Partners (2015)
- John L. Santikos Charitable Foundation (2015)
- Culinary Health Education for Families (2017)
- Students + Startups (2019)

In addition, the Foundation is the sole member of the following nonprofit corporations created to hold and manage donated real estate:

- San Antonio Area Foundation Real Estate Service #6 (2005)
- San Antonio Area Foundation Real Estate Service #7 (2007)
- San Antonio Area Foundation Real Estate Service #8 (2007)
- San Antonio Area Foundation Real Estate Service #9 (2007)
- San Antonio Area Foundation Real Estate Service #10 (2007)
- San Antonio Area Foundation Real Estate Service #11 (2007)
- San Antonio Area Foundation Real Estate Service #12 (2007)

The John L. Santikos Living Trust (the Trust) was established by Mr. John L. Santikos. Prior to his death, Mr. Santikos conveyed 100% ownership interest in all his related entities (collectively, Enterprises) to the Trust. Mr. Santikos remained the Trustee of the Trust until his death on December 30, 2014, at which time the Trust became an irrevocable trust and a named Trustee was appointed pursuant to Mr. Santikos' directive in the Trust Agreement. Under the terms of the Trust, Mr. Santikos gifted the majority of his estate, including the ownership interests in Enterprises, cash and certain other miscellaneous property to the Foundation to be held by the Foundation for the benefit of a fund of the Foundation deemed the John L. Santikos Charitable Foundation (the Santikos Foundation).

Note 1. Foundation and Significant Accounting Policies (Continued)

The Santikos Foundation consists of Santikos Enterprises, LLC (Enterprises) and the Santikos Charitable Fund (the Charitable Fund). The transfer of these assets from the Trust to the Santikos Foundation was executed over the years following Mr. Santikos' death through a series of steps designed to facilitate an orderly transfer of ownership interests. The assets remaining in the Trust of $1,714,519 at December 31, 2020 are held by the trustee of the Trust in accordance with the final accounting for the Trust.

Enterprises is a Texas limited liability company formed in 2015 with nonprofit language and restrictions in its Certificate of Formation. On December 31, 2017, all assets and liabilities were transferred through a series of transactions from the Foundation to the Santikos Foundation, which is owned 100% by the Foundation. The Santikos Foundation is the sole member of Enterprises. Enterprises owns 100% of the membership interests in the theater and nontheater real estate companies. Nontheater real estate companies hold raw land and operate retail and mixed-use centers involved in commercial real estate leasing and operations. Enterprises holds and manages the following:

- Santikos Silverado Realty, LLC
- Santikos Embassy Shopping Center, LLC
- Santikos Mayan Shopping Center, LLC
- Santikos Culebra Warehouse, LLC
- Santikos Legacy, LLC
- Real Estate Services, LLC
- Santikos Embassy SA Theater Realty, LLC
- Santikos Raw Land, LLC
- Santikos Silverado Raw Land, LLC
- Santikos Potranco Raw Land, LLC
- Santikos Rialto Theater Realty, LLC
- Santikos Trinity Oaks Theater Realty, LLC
- Santikos Tri-County Parkway, LLC
- Santikos Ball Street, LLC
- Santikos Theaters, LLC
- Santikos Palladium Realty, LLC
- Santikos Mayan Realty, LLC
- Santikos Silverado SA Theater Realty, LLC
- Santikos Cibolo Crossing Theater Realty, LLC
- Santikos Casa Blanca SA Theater Realty, LLC
- Santikos Northwest 14 Theater Realty, LLC

Basis of presentation: The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). To ensure the observance of limitations and restrictions placed on the use of available resources, the Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting utilizes procedures by which resources for various purposes are classified for accounting purposes into funds that are maintained in accordance with activities or objectives of the Foundation.

For external reporting purposes, the Foundation's consolidated financial statements have been prepared to focus on the organization as a whole and to follow the reporting requirements of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Organizations*, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets—without and with donor restrictions.

Net asset classification: The Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) was enacted by the state of Texas effective September 1, 2007 (TUPMIFA). The Board of Directors of the Foundation (the Board) interpreted TUPMIFA to require the Foundation to exercise prudence in determining the spend policy for donor-restricted endowment funds while honoring the perpetual nature expressed by the donor, unless otherwise stipulated.

Note 1. Foundation and Significant Accounting Policies (Continued)

In accordance with United States Treasury regulations, as a community foundation, the Foundation possesses the unilateral right of variance power to remove donor-imposed restrictions upon a gift in response to changed circumstances. This power is exercisable only in narrowly defined circumstances. When this power is specifically incorporated within gift instruments, by reference to variance power or the Foundation's bylaws or Plan, the Foundation views its variance power as an explicit expression of donor intent (collectively referenced throughout these consolidated financial statements as explicit variance power).

The Board has concluded that gifts to the Foundation may be subject to one or more of three types of donor-imposed restrictions: (1) contributions received with restrictions as to the purpose(s) for which the gift may be used (purpose restriction), (2) contributions received with a requirement that some or all of the gift be retained for a specified period of time or until a specified event occurs (time restriction) and (3) contributions received with a requirement that the principal of the gift be retained in perpetuity (endowment restriction). The Board has determined that the Foundation's variance power applies to all three types of restrictions and that only those funds subject to time restrictions or endowment restrictions constitute endowment funds under TUPMIFA.

Without donor restrictions: Funds consist of net assets that are not subject to donor-imposed restrictions. The Foundation also classifies all funds with explicit variance power, subject only to purpose restrictions, as without donor restrictions.

With donor restrictions: Funds with purpose restrictions and without explicit variance power are classified as with donor restrictions. Funds subject to time restrictions with or without variance power are classified as with donor restrictions until the expiration of the time restriction. For endowment funds explicitly acknowledging variance power, the Foundation classifies as with donor restrictions (a) the original value of gifts contributed to the endowment in perpetuity and perpetual trusts created under the Plan, (b) the original value of subsequent gifts to the endowments in perpetuity and perpetual trusts created under the Plan and (c) accumulations to the endowments in perpetuity and trusts created under the Plan made in accordance with the direction of the applicable donor gift instrument. As donor-restricted endowment funds with explicit variance power are classified as with donor restrictions once amounts are appropriated for spending from these funds, such amounts are classified as without donor restrictions.

For endowment funds lacking explicit variance power, the Foundation classifies as with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Amounts appropriated from donor-restricted endowment funds are classified as without donor restrictions once spent.

The following summarizes the types of restrictions with or without explicit variance power:

Restriction	With Explicit Variance Power	Without Explicit Variance Power
Purpose	Without donor restriction	With donor restriction
Time	With donor restriction	With donor restriction
Endowment	With donor restriction	With donor restriction
Unrestricted	Without donor restriction	Without donor restriction

Note 1. Foundation and Significant Accounting Policies (Continued)

In accordance with TUPMIFA, the Foundation considers the following factors in determining whether to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Foundation
- Investment policies of the Foundation

Perpetual trusts, created under the Plan, for which the Foundation is not the trustee are classified as with donor restrictions and these trusts are included in the Foundation's endowment. Although the individual trustees determine the investment policies for these funds, the Board determines the spending policies and maintains variance power over the ultimate distribution of these funds. Perpetual trusts held by third parties, not created under the Plan, are classified as with donor restrictions and beneficial interest in trusts.

In addition to contributions received with donor-imposed time restrictions or donor-imposed endowment restrictions, the Foundation also classifies its split-interest agreements, excluding charitable gift annuities (unless endowment restricted by the donor), as with donor restrictions due to the implied time restriction on the use of such assets. The Board concluded that split-interest funds, including charitable gift annuities, do not constitute institutional funds as defined by TUPMIFA, therefore, they do not constitute endowment funds. Substantially all contributions received by the Foundation without a donor-imposed time restriction or a donor-imposed endowment restriction are classified as without donor restrictions. The Foundation holds 18 funds at December 31, 2020, which are purpose restricted, and the original gift instruments do not include explicit variance power, which are classified as with donor restrictions (purpose).

Revenue recognition: Contribution revenue is recognized as revenue when received or unconditionally promised. Bequests are recognized as contribution revenue at the date the will is declared valid by the probate court and the amount to be received by the Foundation can be estimated. Conditional promises to give are not recognized until the conditions on which they depend are met. Contributions are recorded as with or without donor restrictions based on the existence or nature of the restriction and in accordance with the Foundation's net asset classification policies. When a stipulated time restriction ends or donor restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Contributions of assets other than cash are recorded at their estimated fair value on the gift date.

Revenue for theater operations is generated principally through admission and concession sales with proceeds received at the point of sale. Other theater operating revenue consists primarily of product advertising and other ancillary revenues, which are recognized as income in the period earned. Enterprises recognizes revenue associated with gift certificates and advanced ticket sales at such time the items are redeemed, expire or redemption becomes unlikely. The determination of the likelihood of redemption is based on an analysis of historical trends.

Note 1. Foundation and Significant Accounting Policies (Continued)

Revenues from commercial real estate operations are generated principally through monthly lease rentals. Minimum rents from tenants are recognized on a straight-line basis, net of rent abatements and contractual increases, over the term of the lease. Accordingly, the difference between rental income on a straight-line basis and rent contractually due to Enterprises is included in other liabilities in the accompanying consolidated statements of financial position.

Property operating cost recoveries from rentals of common area maintenance, real estate taxes and other recoverable costs are recognized in the period when the expenses are incurred.

Use of estimates: The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and to disclose contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased, excluding cash equivalent funds held in the Foundation's investment portfolio, to be cash equivalents. Enterprises' cash balance includes cash used for daily operations, cash held to meet debt compensating balance covenants and debt guarantee covenants.

Accounts receivable and other receivables: Accounts receivable and other receivables consist primarily of tenant and credit card receivables and other receivables stated at net realizable value. Accounts receivable are reduced by an allowance for the amount that may become uncollectible in the future. The allowance for doubtful accounts is reviewed periodically for adequacy by reviewing such factors as the credit quality of tenants, delinquency in payment, historical trends and current economic conditions. Accounts receivable as of December 31, 2020 and 2019, are presented net of an allowance for doubtful accounts of $436,380 and $22,364, respectively.

Contributions receivable, net: Contributions receivable include unconditional promises to give and are recognized in the period received by the Foundation. Conditional promises to give, which contain both donor-imposed conditions that represent a barrier that must be overcome and a right of return, are recognized when the condition or conditions on which they depend are met. Transfers of assets under conditional promises, which are received by the Foundation prior to fulfilling these conditions, are recorded as a liability (i.e., deferred revenue) until the conditions are met.

Contributions to be received after one year are recorded at the present value of their estimated future cash flows using a discount rate which is commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in the same net asset class and fund as the original contribution. An allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors. As a result of this analysis, management has determined that no allowance is necessary (see Note 2).

Notes receivable: Notes receivable are carried at cost (face value) net of an allowance for loan losses. Generally, loans are placed on a nonaccrual basis when interest is considered uncollectible, unless the loan is well collateralized and/or collection is certain. Payments received on nonaccrual loans are applied first to interest and then principal. Once principal and interest are current, the debt instrument is placed back on accrual. Management uses all available information, including financial status of borrower and history of payments, to determine the need for an allowance on notes receivable. For the years ended December 31, 2020 and 2019, management has determined that no allowance is necessary (see Note 3).

Note 1. Foundation and Significant Accounting Policies (Continued)

Investments: Substantially all investments for the Foundation are in cash equivalent funds, securities and investments in oil and gas interests managed by various investment managers and trustees. The majority of investments are combined into four common investment pools (Legacy portfolio, Managed portfolio, 60/40 Index portfolio and Money Market portfolio) and invested on the basis of a total return policy to provide income and to improve opportunities to realize appreciation in investment values (see Note 4).

Investments in cash equivalent funds and securities: Cash equivalent funds and securities are reported at fair value. The Foundation elected to report the fair value of its common trust funds and certain alternative investments such as direct lending, hedge funds and absolute return funds, for which quoted market prices are not available, using the practical expedient. The practical expedient allows for the use of net asset value (NAV) either as reported by the investee fund or as adjusted by the Foundation's management.

Investments in limited liability companies and partnerships: Investments in limited liability companies and partnerships held directly by the Foundation are reported at fair value. Fair value is generally determined by independent appraisal at the time of donation and revalued annually by management (see Note 4). Investments in certain limited liability companies and limited partnerships held by Enterprises, which actively invest in and operate Class A hospitality, retail and commercial real estate throughout the United States, are intended to be long-term investments and are accounted for using the equity method of accounting under which Enterprises' share of net income (loss) in these investments is recognized as income (loss) in Enterprises' financial statements.

Effective January 1, 2020, Enterprises changed their method of accounting for these strategic investments from the cost method to the equity method, given that each investee in which Enterprises' is invested maintains a specific capital account for Enterprises. The 2019 consolidated financial statements have been adjusted retrospectively to reflect this change in accounting policy, with no net effect on previously reported consolidated net assets, net income, or cash flows.

Investments in oil and gas interests: Oil and gas interests are reported at fair value. Fair value is generally determined by independent appraisal at the time of donation and revalued annually by management. Investments in oil and gas interests include interests held in various trusts and others directly owned by one of the supporting organizations (see Note 4).

Cash flow hedging instruments: Enterprises uses interest rate swaps to convert variable rate debt to a fixed rate. The swap agreements are accounted for under the *FASB Accounting Standards Codification* (ASC) topic Derivatives and Hedging, which requires that every derivative instrument be recorded on the statement of financial position at fair value. Not-for-profit guidance also requires that changes in the derivatives fair value of these cash flow hedges be recognized in the consolidated statement of activities. The fair values decreased a total of $998,177 and $1,286,886 in 2020 and 2019, respectively.

Investments in real estate, leasing and theater operations, net: Investments in real estate, leasing and theater operations consist primarily of land held for sale, land held for investment, real property and forms of real property interests, including buildings and equipment, which are used to produce lease income. The assets are carried at the lower of cost or fair value, net of accumulated depreciation. Substantially all investments in real estate, leasing and theater operations were originally donated to the Foundation, and it is the Foundation's policy to obtain appraisals from qualified appraisers at the time of donation. Due to the prohibitive cost of obtaining periodic appraisals, the Foundation does not subsequently estimate the fair value of real estate, leasing and theater operations if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment (see Note 4).

Note 1. Foundation and Significant Accounting Policies (Continued)

Expenditures for significant renovations, additions, renewals and betterments which extend the economic lives of the assets are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Interest is capitalized based on qualifying costs incurred during the construction period for construction periods expected to exceed one year. Enterprises uses the specific identification method, whereby interest on loans that were incurred for specific construction projects is capitalized. Capitalized interest cannot exceed gross interest expense. Upon completion of the project or the asset being placed into use, interest ceases to be capitalized.

Depreciation is recorded using the straight-line method based on the expected useful lives which is 30 years for building and building improvements; 20 years for land improvements; the lesser of the useful life or the lease for leasehold and tenant improvements and 2-15 years for furniture, fixtures and equipment (see Note 5).

Prepaid expenses and other assets: Prepaid expenses and other assets consist of the following:

	December 31	
	2020	2019
Deferred leasing and financing cost, net	$ 1,288,644	$ 1,241,248
Deferred lease income	1,844,283	1,302,936
Prepaid expenses	1,191,015	1,416,474
Inventory	445,272	692,114
Deferred tax asset and tax receivable	13,639,785	2,057,404
Other assets	171	171
	$ 18,409,170	$ 6,710,347

Deferred leasing costs are capitalized and amortized on a straight-line basis over the life of the related lease. Lease income is recognized on a straight-line basis and the deferred lease income (asset) will be recognized in the change in net assets in the period earned.

Beneficial interest in trusts: The Foundation is the named beneficiary of perpetual trusts, a living trust, a testamentary trust and a life estate. Beneficial interest in trusts are recorded at fair value, which generally is based on the fair market value of the underlying assets held in the trust, as provided by the trustee. Management evaluates the fair values provided by the trustees when deemed appropriate (see Note 4).

Beneficial interest in perpetual trusts: The Foundation is the beneficiary of four perpetual trusts held by third parties, which do not incorporate the provisions of the Plan. Under the terms of these trusts, the Foundation has the irrevocable right to receive the income (or a percentage of the income) generated by the trusts in perpetuity.

Beneficial interest in living trust: The Foundation is the beneficiary of the John L. Santikos Living Trust. The living trust was established by Mr. Santikos to facilitate the transfer of his bequest to the Foundation. A nominal amount remains in this trust for its final accounting.

Note 1. Foundation and Significant Accounting Policies (Continued)

Beneficial interest in testamentary trust and life estate: During 2018, the Foundation was notified that it was a beneficiary of a large bequest. Due to the size and complexity of the estate, the final valuation was not completed until late 2019. A portion of assets were transferred directly to a third-party held trust that is a component part of the Foundation. The remainder of the assets are held in a third-party testamentary trust that provides a life estate provision. During the period of the life estate, the Foundation is a 50% income beneficiary of the testamentary trust. The underlying assets in the testamentary trust are recorded as a beneficial interest. For the years ended December 31, 2020 and 2019 the Foundation received $5,855,508 and $11,052,179 respectively, in distributions from the testamentary trust.

A portion of the assets in both trusts are interests in certain companies. The companies include the companies listed in that certain Last Will and Testament, filed under Cause #2018PC2463 in the Probate Court No. 1, Bexar County, Texas. The Foundation was unable to obtain access to the valuations of these companies. Therefore, the value of these assets is not included in these consolidated financial statements.

Headquarters and equipment: Headquarters and equipment are recorded net of accumulated depreciation at cost, or, if donated, estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method based on the expected useful lives ranging from 5-15 years for furniture and fixtures, 3-5 years for equipment, and 5-10 years for software, and the lesser of the useful life or lease term for leasehold improvements (see Note 7).

Goodwill: Goodwill represents the excess of fair market value over total equity based on management's valuation in accordance with ASC, Intangibles—Goodwill and Other. Impairment analysis will be performed when a triggering event occurs. The Foundation recognized an impairment loss of $14,736,478 related to goodwill for the year ended December 31, 2020. No impairment loss was recognized for the year ended December 31, 2019.

Collections: The Foundation does not include either the cost or the value of its collections in the consolidated statements of financial position, nor does it recognize gifts of collection items as revenues. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired and proceeds from deaccessions or insurance recoveries are reflected as increases in net assets without donor restrictions (see Note 8).

Accounts payable and accrued expenses: The Foundation records accounts payable and accrued expenses at cost. As of December 31, 2020 and 2019, accounts payable and accrued expenses are primarily comprised of accounts payable and accrued expense of $5,475,427 and $12,907,379; accrued payroll, accrued vacation; and related payroll taxes and withholdings of $1,848,428 and $2,717,744; and property taxes of $5,162,276 and $0, respectively.

Grants and scholarships payable, net: Grants and scholarships payable represent unconditional amounts awarded, but not yet paid, to various not-for-profit organizations to assist with funding of general operations or special programs and scholarships payable to (or for the benefit of) students. Grants and scholarships to be paid after one year are discounted to net present value. Grants and scholarships contingent upon the occurrence of a specified and uncertain event are not recognized until the conditions on which they depend are met (see Note 9).

Deferred revenue: Deferred revenue includes rent collected from tenants prior to the period in which it is earned, advance ticket sales and gift certificates.

Note 1. Foundation and Significant Accounting Policies (Continued)

Charitable gift annuities payable: Charitable gift annuities payable represents amounts due to annuitants under agreements with the Foundation. Assets received are available for immediate use by the Foundation, and annual benefits are paid from Foundation assets and distributed to third-party beneficiaries over the term of the agreement. The liability is established based on life expectancy assumptions and the present value of the payments to be made. The liability is recalculated annually using the historical discount rate based on changes in life expectancy and payments made (see Note 6).

Other liabilities: Other liabilities are long-term obligations and are recorded at cost. As of December 31, 2020 and 2019, other liabilities include tenant deposits of $556,758 and $568,847, and deferred rental expense of $109,880 and $157,624, respectively.

Long-term debt: Direct costs incurred in connection with obtaining the notes payable are capitalized and amortized over the term of the related indebtedness. As of December 31, 2020 and 2019, deferred financing costs netted against long-term debt totaled $1,044,248 and $947,227, which are recorded net of accumulated amortization of $44,769 and $270,635, respectively.

Charitable funds held for the benefit of other organizations: The Foundation follows ASC Topic 958, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This guidance requires the Foundation to account for assets that are received from a not-for-profit organization for the benefit of that not-for-profit organization, or one of its supporting organizations, as a liability to the specified beneficiary concurrent with its recognition of the assets received. All asset transfers of this type, and the activity associated with those assets, are recognized as agency transactions (i.e., an increase/decrease in the respective asset category and the charitable funds held for the benefit of other organizations liability). Assets and liabilities related to such funds totaled $14,656,112 and $13,282,207 as of December 31, 2020 and 2019, respectively. Included in these amounts are obligations totaling $399,175 and $402,460 due to other not-for-profit organizations, which result from charitable gift annuities in which the annuitant (donor) did not acknowledge variance power in the gift instrument and specified an unaffiliated organization as the charitable beneficiary.

Tax-exempt status: The Foundation and its supporting organizations are not-for-profit organizations and are exempt from federal income tax, except on unrelated business income, under section 501(c)(3) of the Code and have been determined not to be private foundations under section 509(a) of the Code. Enterprises is a Texas limited liability company formed in 2015 with nonprofit language and restrictions in its Certificate of Formation.

ASC Topic 740 provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Foundation’s tax return to determine whether the tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax asset or liability in the current year. Management has determined that there are no material uncertain tax positions.

Note 1. Foundation and Significant Accounting Policies (Continued)

Income taxes: Effective July 1, 2019, Enterprises elected to be taxed as an S corporation. An S corporation's taxable income or loss is allocated to their members in accordance with the entity's respective ownership percentages. All S corporations are subject to the Texas gross margin tax. A liability for the estimated Texas gross margin tax has been recorded in the consolidated financial statements. The Santikos Foundation is a not-for-profit organization and is exempt from federal income taxes under section 501(c)(3) of the Code, except to the extent it has unrelated business activities. The deferred federal tax benefit for 2019 is related to amortization of deferred revenue, depreciation expense and losses on the sale of assets. Significant components of federal income tax (benefit) expense are as follows:

	Years Ended December 31	
	2020	2019
Current	$ (10,816,517)	$ (221,792)
Deferred	(549,945)	(879,598)
	$ (11,366,462)	$ (1,101,390)

Impairment: The Foundation reviews long-lived assets including investments in real estate, leasing and theater operations and headquarters and equipment for impairment whenever events and changes in circumstances indicate that the carrying value of the asset may not otherwise be recoverable. In connection with this review, the Foundation also re-evaluates applicable periods of depreciation and amortization for these assets. The Foundation assesses the recoverability by determining whether the net book value of the related asset will be recovered through the projected undiscounted future cash flows of the asset. If the Foundation determines that the carrying value of the asset may not be recovered, it measures any impairment based on the asset's fair value as compared to the asset's carrying value.

Once impairment is recognized the asset will not be written back to cost, even if the asset or investment subsequently increases in fair value. The factors considered by management in performing this assessment include current operating results; trends and prospects; and the effects of obsolescence, demand, competition and other economic factors. Enterprises recognized impairment losses of $17,036,825 and $1,668,161 during the years ended December 31, 2020 and 2019, respectively.

Contingencies: Certain conditions may exist at the date the consolidated financial statements are issued. These could result in a loss to the Foundation, but will only be determinable when one or more future events occur or fail to occur. The Foundation's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Foundation or unasserted claims that may result in such proceedings, the Foundation's legal counsel and management evaluate the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability is accrued on the Foundation's consolidated financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, is disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case, the guarantees would be disclosed. As of December 31, 2020, management has not identified nor recorded any material loss contingencies.

Note 1. Foundation and Significant Accounting Policies (Continued)

Adopted accounting pronouncements: On January 5, 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, the final standard on the recognition and measurement of financial instruments. The ASU applies to all entities that hold financial assets or owe financial liabilities and represent the finalization of just one component of the FASB's broader financial instruments project. The adoption of this ASU did not have a material impact on the consolidated financial statements as of December 31, 2020.

On August 28, 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments refine and expand hedge accounting for both financial (e.g., interest rate) and commodity risks. Its provisions create more transparency around how economic results are presented, both on the face of the financial statements and in the footnotes. It also makes certain targeted improvements to simplify the application of hedge accounting guidance. The adoption of this ASU did not have a material impact on the consolidated financial statements as of December 31, 2020.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. The adoption of this ASU reduced certain fair value measurement disclosures in Note 4.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment,* to simplify how an entity is required to test goodwill for impairment. It eliminates step 2 from the goodwill impairment test. The adoption of this ASU did not have a material impact on the consolidated financial statements as of December 31, 2020.

Recent accounting pronouncements issued: On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this update affect any entity that enters into a lease transaction. The primary change from this guidance is that the lessee should recognize the assets and liabilities that arise from all leases over 12 months in length. If the lease is 12 months or less in length, a lessee is permitted to make an accounting policy election by class of the underlying asset not to recognize lease assets and liabilities. If this election is made, the lessee should recognize the lease expense on a straight-line basis over the lease term. ASU No. 2016-02 is effective for the Foundation's year ending December 31, 2022. Earlier application is permitted.

In January 2020, the FASB issued ASU No. 2020-01, *Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815),* which clarifies that the observable price changes in orderly transactions that should be considered when applying the measurement alternative in accordance with the FASB Accounting Standards Codification accounting under ASC Topic 323. ASU No. 2020-01 also addresses questions about how to apply the guidance in Topic 815, Derivatives and Hedging, for certain forward contracts and purchased options to purchase securities that, upon settlement or exercise, would be accounted for under the equity method of accounting. ASU No. 2020-01 is effective for the Foundation beginning on January 1, 2022.

The Foundation is currently evaluating the effect the above implementations will have on the consolidated financial statements.

Note 1. Foundation and Significant Accounting Policies (Continued)

Reclassifications: Certain prior-year amounts have been reclassified to conform to the current-year presentation. The reclassifications had no impact on the previously reported net assets or change in net assets.

Note 2. Contributions Receivable, Net

Unconditional contributions receivable, including amounts due under pledge and grant agreements, are expected to be collected as follows:

	December 31	
	2020	2019
Contributions receivable in:		
Less than one year	$ 2,671,055	$ 11,174,181
One year to five years	9,523,892	600,000
	12,194,947	11,774,181
Less unamortized discount (4%)	57,601	67,473
	$ 12,137,346	$ 11,706,708

No amounts have been recognized in the consolidated financial statements for conditional promises to give because the conditions on which they depend have not been met. Conditional promises to give totaled $6,102,648 and $7,738,263 as of December 31, 2020 and 2019, respectively, and are conditional upon the achievement of specified targets and milestones, as specified in the respective grant agreements. The Foundation is also aware of additional naming in estate plans and wills; however, the Foundation does not currently have sufficient information to estimate these intentions to give.

Note 3. Notes Receivable

The Foundation's notes receivable consist of the following:

	December 31	
	2020	2019
Four notes receivable with fixed interest ranging from 8.5% to 12.5%, maturing between April 2, 2019 and January 1, 2029, with principal and interest payments due monthly; the notes are collateralized by real estate	$ 54,853	$ 59,242
Note receivable with interest at 0.0%; maturing December 31, 2026; with principal payments of $20,000 due annually over a period of 10 years	140,000	160,000
Note receivable with fixed interest at 12.0%; maturing December 20, 2020, interest due quarterly and principal due at maturity; secured by a vendor's lien and superior title retained in lender real estate deed	-	162,560
Note receivable with fixed interest at 6.0%; maturing based on future cash flow, interest due quarterly and principal due based on future cash flow	217,662	205,341
	$ 412,515	$ 587,143

The following is a summary of loans receivable by contractual maturity:

	December 31	
	2020	2019
Due in less than one year	$ 76,654	$ 219,581
Due in one year and less than five years	70,263	94,285
Due in five years or more	265,598	273,277
	$ 412,515	$ 587,143

The Foundation has not recorded an allowance for loan losses, as it believes all notes receivable to be fully collectible.

Note 4. Fair Value Measurements and Disclosures

The Foundation's Investment Committee, appointed by the Board, is responsible for the overall management of the Foundation's investments in cash equivalent funds and securities (excluding investments in cash equivalent funds and securities held in trusts under the Plan), including the hiring and termination of investment managers, investment consultant(s), custodian banks and securities lending agents. The Foundation's investment consultants are responsible for sourcing, evaluating and selecting investments for recommendation to the Foundation's Investment Committee. The Foundation's finance department is responsible for the day-to-day operations involving due diligence and other testing procedures in regards to reviewing the reasonableness of fair value for all investments, which includes evaluating the accuracy and adequacy of information provided by custodians, brokers and managers. The valuation process for investments in cash equivalent funds and securities and all other fair value measurements are the responsibility of the Foundation's finance department. Fair value measurements for investments in limited liability companies and partnerships, investments in oil and gas interests, beneficial interests in the Trust and perpetual trusts are prepared by the Foundation's finance department and approved by the Board during its review and approval of the Foundation's audited consolidated financial statements.

Fair value measurements: The Foundation follows ASC Topic 820, Fair Value Measurements, which provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives 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 inputs to the three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Level 1: Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from, or corroborated by, observable market data by correlation to 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.

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

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All transfers between fair value hierarchy levels are recognized by the Foundation at the beginning of each reporting period.

Financial assets and liabilities carried at fair value on a recurring basis include investments in cash equivalent funds and securities, investments in limited liability companies and partnerships, investments in oil and gas interests, beneficial interest in the Trust, beneficial interest in perpetual trusts, interest rate swaps and charitable funds held for the benefit of others.

The methods and assumptions used to estimate the fair value of assets and liabilities in the consolidated financial statements, including a description of the methodologies used for the classification within the fair value hierarchy, are as follows.

Contributions receivable, net: Fair value is the price a market participant would pay to acquire the right to receive the cash flows inherent in the promise to pay and, due to inclusion of a discount to net present value and allowance for uncollectible accounts, the carrying value approximates fair value.

Note 4. Fair Value Measurements and Disclosures (Continued)

Investments in cash equivalent funds and securities: All the Foundation's marketable securities are valued by nationally recognized third-party pricing services. The Foundation gives highest priority to quoted prices in active markets for identical assets accessed at the measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis and the Foundation classifies all such assets as Level 1. The Foundation gives a Level 2 priority to valuation prices where the valuation process involves inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly, using the market approach. Level 2 inputs under the market approach include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makers, or in which little information is released publicly. In certain cases, where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Direct lending funds, common funds and other alternative investments are carried at fair value, which is based on the NAV per share, as provided by the fund manager and/or adjusted by the Foundation. The Foundation uses management agreements, analyst notes, audited financial statements and underlying investment holdings to evaluate the fund manager's valuation methodology (i.e., in determining whether the fund manager follows ASC Topic 820) and considers various other factors including contributions and withdrawals to the fund and monitoring unaudited interim reporting to determine if any adjustment to the NAV is necessary.

Investments in limited liability companies and partnerships: Fair value of limited liability companies and partnerships held by the Foundation are determined using either the income approach (discounted cash flows) or the market approach. In some cases, independent appraisals are obtained and then discounted by the Foundation to fair value for lack of marketability, minority interest and/or market risk and in certain circumstances, fair values are based on comparison to similar assets at the measurement date and/or identical assets as of a different measurement date. Due to the significant unobservable inputs required to estimate the fair value of these interests, the Foundation's investments in limited liability companies and partnerships are all classified as Level 3 within the hierarchy. The significant unobservable inputs used in the fair value measurement of the limited liability companies and partnerships are net operating income, net assets, cashflows, and other financial metrics that provide information about the financial health of the underlying assets. Significant increases(decreases) in any of those inputs would results in a higher(lower) fair value measurement. Investments in this category are generally illiquid and nonredeemable except in certain circumstances.

Investment in real estate partnerships: Enterprises has investments in limited partnerships invested in real estate ventures in the United States of America. The fair value of limited liability companies and partnerships are accounted for using the equity method of accounting under which Enterprises' share of net income (loss) in these investments is recognized as income (loss) in Enterprises' financial statements.

Investments in oil and gas interests: Fair value of oil and gas interests are determined by the Foundation's management using a cash flow model (income approach) and consideration of other factors deemed relevant in the circumstances. Due to the significant unobservable inputs required to estimate the fair value of these investments, the Foundation's investments in oil and gas interests are classified as Level 3 in the hierarchy. The significant unobservable inputs used in the fair value measurement of oil and gas interest are the share price of oil and gas companies traded in over the counter markets, annual revenue, and net mineral interest income as reported on an annual basis. All measures are heavily impacted by the price and demand for oil and gas. Significant increases(decreases) in any of the inputs or the price and demand for oil and gas would result in a higher(lower) fair value measurement.

Note 4. Fair Value Measurements and Disclosures (Continued)

Beneficial interest in trusts: The majority of the remaining assets held in the living trust are held in cash and cash equivalents. Management has determined the fair value of the beneficial interest in the living trust using the market approach. The beneficial interest in this trust is classified as Level 1 in the fair value hierarchy. The fair value of the beneficial interest in perpetual trusts, testamentary trust and life estate are based on the interest of the trust for each individual beneficial interest, as determined by the third-party trustees, except for oil and gas interests which are determined by management using a cash flow model (income approach). Due to the significant unobservable inputs required to estimate the fair value of the underlying assets, the Foundation's beneficial interest in perpetual trusts, testamentary trust and life estate are classified as Level 3 in the hierarchy. The significant unobservable inputs used in the calculation of beneficial interest in perpetual trust, testamentary trust, and life estates are net income, net assets, and other financial metrics that provide information about the financial health of the underlying assets. Significant increases(decreases) in any of these inputs would results in a higher(lower) fair value measurement. Significant unobservable inputs used to value the beneficial interest in oil and gas interest are the share price of oil and gas companies traded in over the counter markets, annual revenue, and net mineral interest income as reported on an annual basis. Significant increases(decreases) in any of the inputs or the price and demand for oil and gas would result in a higher(lower) fair value measurement.

Interest rate swaps: Derivative instruments are classified within Level 2 of the valuation hierarchy. The Foundation obtains fair value measurements for derivative instruments from reputable pricing services. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the United States Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, the bond's terms and conditions and other such data.

Charitable funds held for the benefit of other organizations: The liability's fair value is determined using identical or similar liabilities in the market. Fair value is based on the fair value of the investment assets held by the Foundation for the benefit of the recipient agencies. The specific assets held for the benefit of the other organizations have been classified as Level 1 within the hierarchy for investments in cash equivalent funds and securities.

Note 4. Fair Value Measurements and Disclosures (Continued)

The following tables represent assets and liabilities measured at fair value on a recurring basis, as reported in the consolidated statements of financial position as of December 31, 2020 and 2019, and by level within the fair value measurement hierarchy. The Foundation has no assets or liabilities carried at fair value on a nonrecurring basis as of December 31, 2020 and 2019.

	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in cash equivalent funds and securities:				
Cash and cash equivalents	$ 87,211,299	$ 87,211,299	$ -	$ -
Certificates of deposit	259,498	-	259,498	-
Common stock	50,582,886	50,272,885	310,001	-
Corporate securities—preferred	355,697	355,697	-	-
Mutual funds	151,649,751	151,649,751	-	-
Corporate obligations	6,263,931	5,288,824	975,107	-
U.S. government agency obligations	8,554,982	4,126,311	4,428,671	-
Municipal Bonds	1,936,968	1,936,968		
Mortgage-backed securities	1,111,671	963,881	147,790	-
Real estate investment trusts	116,882	116,882	-	-
Investments held at NAV*	94,809,192	-	-	-
Total investments in cash equivalent funds and securities	402,852,757	301,922,498	6,121,067	-
Investments in limited liability companies and partnerships	4,495,225	-	-	4,495,225
Investments in limited liability companies and partnerships (equity method)	33,264,383	-	-	-
Investments in oil and gas interests	9,469,354	-	-	9,469,354
Investments in real estate	597,500	-	-	597,500
Real estate, leasing and theater operations, net	340,307,161	-	-	-
Total investments	790,986,380	301,922,498	6,121,067	14,562,079
Beneficial interest in trusts	102,461,755	1,714,519	-	100,747,236
	$ 893,448,135	$ 303,637,017	$ 6,121,067	$ 115,309,315
Liabilities:				
Interest rate swaps	$ 1,232,420		$ 1,232,420	
Charitable funds held for the benefit of other organizations	14,656,112	14,656,112	-	-
	$ 15,888,532	$ 14,656,112	$ 1,232,420	$ -

*In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) 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 statements of financial position.

Note 4. Fair Value Measurements and Disclosures (Continued)

	December 31, 2019			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in cash equivalent funds and securities:				
Cash and cash equivalents	$ 77,841,802	$ 77,841,802	$ -	$ -
Certificates of deposit	2,344,974	-	2,344,974	-
Common stock	53,327,288	52,917,396	409,892	-
Corporate securities—preferred	256,491	251,368	5,123	-
Mutual funds	129,223,722	129,223,722	-	-
Corporate obligations	10,173,148	7,275,784	2,897,364	-
U.S. government agency obligations	3,969,481	3,916,610	52,871	-
Mortgage-backed securities	4,262,930	3,502,164	760,766	-
Real estate investment trusts	45,285	45,285	-	-
Investments held at NAV*	80,521,318	-	-	-
Total investments in cash equivalent funds and securities	361,966,439	274,974,131	6,470,990	-
Investments in limited liability companies and partnerships	6,507,237	-	-	6,507,237
Investments in limited liability companies and partnerships (valued at cost)	41,601,785	-	-	-
Investments in oil and gas interests	18,604,198	-	-	18,604,198
Investments in real estate	713,000	-	-	713,000
Real estate, leasing and theater operations, net (see Note 5)	357,110,965	-	-	-
Total investments	786,503,624	274,974,131	6,470,990	25,824,435
Beneficial interest in trusts	91,334,043	2,716,301	-	88,617,742
	$ 877,837,667	$ 277,690,432	$ 6,470,990	$ 114,442,177
Liabilities:				
Interest rate swaps	$ 234,243		$ 234,243	
Charitable funds held for the benefit of other organizations	13,282,207	13,282,207	-	-
	$ 13,516,450	$ 13,282,207	$ 234,243	$ -

*In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) 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 statements of financial position.

Note 4. Fair Value Measurements and Disclosures (Continued)

Investments owned by Enterprises as of December 31, 2020 and 2019 are summarized below.

	Ownership Interest (%)	2020	2019
Titan Capital Fund	9%	$ 8,232,922	$ 8,265,093
Embrey – The Standard at Legacy	41%	7,126,408	7,579,618
Woodbine Development Legacy	3%	2,197,088	5,000,000
Woodbine Sidecar	17%	2,962,143	5,000,000
Admiral Capital Fund	8%	5,884,355	4,132,588
Sage DC (Navy Yard)	21%	2,461,487	3,298,100
Sage Oxford (Denver – Cruiseroom)	26%	2,105,023	2,936,727
Sage Baltimore (Hyatt Place)	27%	2,294,957	2,783,160
NetStreit (formerly CapView)	N/A	-	2,606,499
Total equity investments in real estate partnerships		$ 33,264,383	$ 41,601,785

A summary of financial information for Enterprises equity-method investments in the aggregate as of and for the years ended December 31, 2020 and 2019 is as follows:

	Investments in Real Estate Ventures Year Ended December 31, 2020					
	Titan Capital Fund	Embrey - The Standard	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Total
Investment property, net	$ 81,732,063	$ 55,023,462	$ 86,835,748	$ 74,456,434	$ 27,235,925	$ 325,283,632
Cash	49,407,555	870,893	2,097,835	734,572	3,114,284	56,225,139
Other assets	83,575	470,107	9,286	7,206	296,310	866,484
Total assets	$ 131,223,193	$ 56,364,462	$ 88,942,869	$ 75,198,212	$ 30,646,519	$ 382,375,255
						-
Current liabilities	$ 1,073,152	$ 3,755,672	$ 2,690,838	$ 2,947,001	$ 2,111,527	$ 12,578,190
Mortgages payable	37,749,117	35,357,742	-		-	73,106,859
Total liabilities	38,822,269	39,113,414	2,690,838	2,947,001	2,111,527	85,685,049
Partners'/members' capital	92,400,924	17,251,048	86,252,031	72,251,211	28,534,992	296,690,206
Total liabilities and partners' members' capital	$ 131,223,193	$ 56,364,462	$ 88,942,869	$ 75,198,212	$ 30,646,519	$ 382,375,255

[1] Amounts include aggregated financial information from the Companies' investments in the Woodbine Development Legacy, and Woodbine Sidecar Funds.

[2] Amounts include aggregated financial information from the Companies' investments in the Sage DC, Sage Oxford, and Sage Baltimore Funds.

Note 4. Fair Value Measurements and Disclosures (Continued)

	Investments in Real Estate Ventures Year Ended December 31, 2019						
	Titan Capital Fund	Embrey - The Standard	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Netstreit Corp.	Total
Investment property, net	$ 127,829,555	$ 41,506,367	$ 163,637,545	$ 56,067,695	$ 33,184,400	$ 223,921,000	$ 646,146,562
Cash	3,190,622	2,080,417	1,625,410	1,766,752	373,397	169,319,000	178,355,598
Other assets	91,975	514,428	1,505,101	82,068	-	40,682,000	42,875,572
Total assets	$ 131,112,152	$ 44,101,212	$ 166,768,056	$ 57,916,515	$ 33,557,797	$ 433,922,000	$ 867,377,732
							-
Current liabilities	$ 3,084,122	$ 6,273,138	$ 1,247,639	$ 800,927	$ 83	$ 181,490,000	$ 192,895,909
Mortgages payable	46,690,831	19,350,957	-	14,189,026	-	-	80,230,814
Total liabilities	49,774,953	25,624,095	1,247,639	14,989,953	83	181,490,000	273,126,723
Partners'/members' capital	81,337,199	18,477,117	165,520,417	42,926,562	33,557,714	252,432,000	594,251,009
Total liabilities and partners' members' capital	$ 131,112,152	$ 44,101,212	$ 166,768,056	$ 57,916,515	$ 33,557,797	$ 433,922,000	$ 867,377,732

[1] Amounts include aggregated financial information from Enterprises investments in the Woodbine Development Legacy, and Woodbine Sidecar Funds.

[2] Amounts include aggregated financial information from Enterprises investments in the Sage DC, Sage Oxford, and Sage Baltimore Funds.

	Investments in Real Estate Ventures Year Ended December 31, 2020					
	Titan Capital Fund	Embrey - The Standard	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Total
Operating income	$ 4,745,724	$ 1,242,873	$ (7,030,706)	$ 16,730,890	$ -	$ 15,688,781
Operating expenses	8,327,020	1,928,271	97,148,711	1,734,241	31,538	109,169,781
Net operating income	(3,581,296)	(685,398)	(104,179,417)	14,996,649	(31,538)	(93,481,000)
Other Income (Loss)	17,198,562	-	-	-	(5,857,422)	11,341,140
Interest expense	(1,981,623)	(522,745)	-	-	-	(2,504,368)
Net loss	$ 11,635,643	$ (1,208,143)	$ (104,179,417)	$ 14,996,649	$ (5,888,960)	$ (84,644,228)

[1] Amounts include aggregated financial information from the Companies' investments in the Woodbine Development Legacy, and Woodbine Sidecar Funds.

[2] Amounts include aggregated financial information from the Companies' investments in the Sage DC, Sage Oxford, and Sage Baltimore Funds.

	Investments in Real Estate Ventures Year Ended December 31, 2019						
	Titan Capital Fund	Embrey - The Standard	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Netstreit Corp.	Total
Operating income	$ 1,964,806	$ 19,390	$ 5,607,393	$ 1,509,560	$ -	$ 513,000	$ 9,614,149
Operating expenses	6,984,134	335,750	21,735,874	2,383,490	11,033	471,000	31,921,281
Net operating income	(5,019,328)	(316,360)	(16,128,481)	(873,930)	(11,033)	42,000	(22,307,132)
Other income (loss)	(500,044)	-	-	7,705,699	198,895	14,000	7,418,550
Interest expense	(2,170,763)	-	-	-	-	-	(2,170,763)
Net loss	$ (7,690,135)	$ (316,360)	$ (16,128,481)	$ 6,831,769	$ 187,862	$ 56,000	$ (17,059,345)

[1] Amounts include aggregated financial information from the Companies' investments in the Woodbine Development Legacy, and Woodbine Sidecar Funds.

[2] Amounts include aggregated financial information from the Companies' investments in the Sage DC, Sage Oxford, and Sage Baltimore Funds.

Note 4. Fair Value Measurements and Disclosures (Continued)

The following table summarizes the valuation techniques and significant unobservable inputs used for the Foundation's assets and liabilities that are categorized within Level 3 of the fair value hierarchy as of December 31, 2020:

Financial Instruments Type	Fair Value	Valuation Techniques	Unobservable Input (c)	Range of Inputs (Weighted Average)
Assets:				
Investments in limited liability companies and partnerships	$ 4,495,225	Discounted cash flows	Market comparables	N/A
			Discount for lack of marketability (a)	10.00%-15.00% (12.26%)
			Discount for lack of control (a)	
Investment in oil and gas interests	9,469,354	Discounted	Revenue multiple (b)	7.7 (7.7)
Investments in real estate	597,500	Market approach	Market comparables	N/A
Beneficial interest in trusts	100,747,236	Market approach	Discount rate (a)	N/A
			Revenue multiple (b)	7.7 (7.7)

(a) Represents amounts used when the Foundation has determined that market participants would take into account these discounts when pricing the asset or liability.

(b) Represents amounts used when the Foundation has determined that market participants would use such multiples when pricing the investment.

(c) Significant increases or decreases in any of the above unobservable inputs in isolation may result in a significantly lower or higher fair value measurement.

Note 4. Fair Value Measurements and Disclosures (Continued)

The Foundation's investments in certain entities that calculate fair value using NAV per share or its equivalent include the following as of December 31, 2020 and 2019:

	Fair Value 2020	Fair Value 2019	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Investments in cash equivalent funds and securities:						
Direct lending (a)	$ 9,589,379	$ 12,094,416	$ 4,721,677	Monthly, Illiquid	30-90 days, N/A	a
Hedged value funds (b)	6,904,601	6,339,569	-	Liquidating	N/A	b
Strategic income funds (c)	-	114,576	-	Quarterly	90 days	c
Domestic mid/large cap funds (d)	12,444,692	2,774,623	-	Daily	Daily	d
Domestic small cap funds (e)	1,233,863	975,708	-	Daily	Daily	e
Taxable fixed income funds (f)	17,663,777	17,590,748	-	Daily, Monthly	Daily, 45 days	f
International and emerging market equity funds (g)	45,832,609	40,110,658	-	Daily, Monthly	Daily, 30 days	g
Private equity (h)	1,140,271	521,020	1,379,090	Quarterly—Illiquid	5 days, N/A	h
	$ 94,809,192	$ 80,521,318	$ 6,100,767			

(a) Investments of privately negotiated high-yielding senior debt, subordinated debt and preferred equity investments in franchised business in the United States. These investments are generally not redeemable. The Foundation invests in one fund totaling $1,823,111, which allows for quarterly redemptions with 90 days' notice. Investments in all other funds do not provide for redemption until dissolution of the fund, which is expected to occur between two to five years. Distributions are received through liquidation of the underlying assets of the fund.

(b) Investments in strategies where managers seek to profit from price disparities between two or more instruments with identical or similar characteristics. The strategies generally are event driven whereby managers seek to capitalize on price movements caused by anticipated corporate events or fixed income and convertible arbitrage whereby managers seek to capitalize on pricing inefficiencies of the embedded option in a convertible bond. The Foundation invests in one fund that will be liquidating on a quarterly basis and is expected to fully liquidate in the second quarter in 2021.

(c) Investments in a strategic income fund strategy that seeks opportunities in yield-oriented commitments to both high quality and other asset classes.

(d) Investment strategy focuses on pooling equity investments primarily based in the United States for mid to large capitalization companies, which are either categorized as growth companies offering strong earnings potential, or companies which are considered by managers to be undervalued by the market, and provide strong value prospects.

(e) Investment strategy focuses on pooling equity investments primarily based in the United States for small capitalization companies, which are either categorized as growth companies offering strong earnings potential, or companies which are considered by managers to be undervalued by the market, and provide strong value prospects.

(f) Investment to achieve income consistency through investment in income producing debt securities.

Note 4. Fair Value Measurements and Disclosures (Continued)

(g) Investment strategy incorporates the pooled assets of small trusts focusing on investment in equity assets in international and emerging markets.

(h) Equity-based strategies that provide investment capital in exchange for ownership in privately-held assets (e.g., businesses, real estate properties, infrastructure, etc.). These are illiquid investments that typically require a liquidity event (e.g., initial public offering, merger, acquisition, or disposition) in order to generate a majority of their financial returns. The strategies that hold these assets commonly have a ten-year fund lives, with up to 13 years after they make a commitment.

Note 5. Investments in Real Estate, Leasing and Theater Operations

The Foundation's investments in real estate, leasing and theater operations consist of the following:

	December 31	
	2020	2019
Land and land improvements	$ 96,015,436	$ 94,568,905
Buildings and building improvements	222,966,119	222,157,919
Leasehold and tenant improvements	36,813,984	37,860,410
Furniture, fixtures and equipment	32,583,697	35,201,570
Construction in progress	135,503	522,379
	388,514,739	390,311,183
Less accumulated depreciation and amortization	55,873,233	44,266,752
	332,641,506	346,044,431
Land held for sale	7,665,655	11,066,534
	$ 340,307,161	$ 357,110,965

Investments in real estate, leasing and theater operations with a net book value of $332,641,506 and $346,044,431 as of December 31, 2020 and 2019, respectively, are held in various real estate entities, which are wholly owned by the Santikos Foundation. These real estate entities hold theater, raw land and operate retail and mixed-use centers involved in commercial real estate leasing and operations.

Note 5. Investments in Real Estate, Leasing and Theater Operations (Continued)

Future minimum lease income under noncancelable operating leases as of December 31, 2020, is as follows:

Years ending December 31:	
2021	$ 9,386,081
2022	7,488,480
2023	6,458,067
2024	5,207,692
2025	4,370,103
Thereafter	11,670,557
	$ 44,580,980

Note 6. Split-Interest Agreements

As of December 31, 2020 and 2019, the Foundation has recorded $524,121 and $728,648 in fair value of charitable gift annuities and $1,194,126 and $1,099,060, respectively, in the fair value of charitable remainder unitrust as assets (i.e., investment in cash equivalent funds and securities) in its consolidated statements of financial position. Assets received under these agreements are recorded at fair value and in the appropriate net asset category. Liabilities have been established for which the Foundation is obligated to an annuitant under a charitable gift annuity and beneficiaries under charitable remainder unitrust. Liabilities representing the amounts owed to annuitants under a charitable gift annuity totaled $39,993 and $90,265 as of December 31, 2020 and 2019, respectively. Amounts owed to beneficiaries under a charitable remainder unitrust totaled $263,594 and $277,269 as of December 31, 2020 and 2019, respectively.

Beneficial interest in perpetual trusts: The Foundation is the beneficiary of four perpetual trusts, not created under the Plan, and for which the Foundation is not the trustee. The Foundation's interests in these trusts range from 10% to 100%. The Foundation relies on the fair market values provided by the trustees, except for holdings in oil and gas interests, which are not reported at fair value by trustees. Foundation management estimated the fair market value of the oil and gas interests (held in two trusts) using the same methodology that it uses for its other oil and gas interests (see Note 4).

Intentions to give: The Foundation is also the revocable beneficiary of charitable remainder unitrusts in which it does not serve as the trustee. The terms of the various trust agreements currently allow the grantors of the trusts to change the charitable beneficiary. Due to the uncertainty as to whether or not the Foundation will be the ultimate beneficiary of these trusts, their values are not reflected in the consolidated financial statements until such time as the charitable beneficiary is irrevocable.

Note 7. Headquarters and Equipment

Headquarters and equipment consist of the following:

	December 31	
	2020	2019
Leasehold and tenant improvements	$ 1,378,284	$ 1,367,658
Furniture and fixtures	261,489	274,193
Equipment	254,317	394,309
Software	1,679,562	1,531,044
Building	150,000	150,000
Construction in progress	-	82,841
	3,723,651	3,800,045
Less accumulated depreciation	2,507,087	2,420,864
Headquarters and equipment, net	$ 1,216,565	$ 1,379,181

Note 8. Collections

The Foundation maintains various collections of works of art, historical treasures and similar assets. These collections are maintained for public exhibition, education and research in furtherance of public service rather than for financial gain. Substantially all of these assets are protected, kept unencumbered, cared for and preserved by a local art school. As a matter of policy, the proceeds of items in collections that are sold are used to acquire other items for collections.

Note 9. Grants and Scholarships Payable

Grants and scholarships payable as of December 31, 2020, are expected to be paid as follows:

Years ending December 31:	
2021	$ 928,177
2022	163,500
2023	190,000
	1,281,677
Less unamortized discount (4%)	7,301
	$ 1,274,376

Conditional grant commitments are recognized when the conditions on which they depend are met. As of December 31, 2020 and 2019, the Foundation has conditional grant and scholarship commitments of $8,948,874 and $10,079,170, respectively. The commitments are contingent upon the achievement of milestones and targeted outcomes, as outlined in the grant agreements.

Note 10. Long-Term Debt

Long-term debt consists of the following:

	December 31	
	2020	2019
Note payable to a financial institution; collateralized by rents, land and buildings; bearing interest at LIBOR plus 2.00% (effective interest of 4.10% at December 31, 2019); monthly payments of principal totaling $31,000 plus interest through maturity in September 2023; see Note 20 for subsequent refinancing.	$ -	$ 16,521,638
Notes payable to financial institutions; collateralized by land and buildings; bearing interest at LIBOR plus applicable margin (2.00%, and effective interest of 4.20% at December 31, 2019); monthly principal payments of $258,000 plus interest with a final balloon payment due at maturity in December 2024.	-	70,794,917
Notes Payable to a financial institution; collateralized by land and buildings; bearing interest at LIBOR plus applicable margin (3.00%, and effective interest of 3.14% at December 31, 2020); monthly principal payments of $7.5M are due in November 2023 and 2024, with a final balloon payment due at maturity in November 2025: interest payments in the first year are deferred.	50,084,608	-
Line of Credit to a financial institution collateralized by land, buildings, and assignments of rents. Line of credit has a five-year term and matures in 2025	24,400,000	-
Unsecured note payable to a financial institution; bearing an interest rate of 1.00%; monthly interest payments of $42,056 plus interest through maturity in April 2022; see Note 20 for subsequent forgiveness of note.	747,300	-
Unsecured note payable to individual; with no interest; quarterly principal payments of $6,000 for the remainder of individuals life.	185,449	176,297
	75,417,357	87,492,852
Less deferred financing cost, net of accumulated amortization of $44,769 and $270,635 as of December 31, 2020 and 2019, respectively.	838,931	676,592
	$ 74,578,426	$ 86,816,260

Principal payments required on long-term debt as of December 31, 2020, are as follows:

Years ending December 31:	
2021	$ 528,672
2022	266,628
2023	7,524,000
2024	7,524,000
2025	59,508,608
Thereafter	65,449
	$ 75,417,357

Enterprises has financial loan covenants with certain banks that require, among other things, maintenance of unrestricted cash above $8,000,000, restrictions on distributions paid and other financial ratios.

Note 11. Commitments and Contingent Liabilities

The Foundation's headquarters lease commenced in June 2011 with a term of 120 months. The monthly lease payment begins at $29,858 and increases every 12 months to a maximum of $36,840. In addition, the Foundation leases other equipment under noncancelable operating leases through 2025.

Enterprises leases one of its theater buildings under a noncancelable operating agreement with an unrelated party through 2025. In addition, Enterprises leases other equipment under noncancelable operating leases through 2022 and a corporate office through 2024.

Future minimum lease payments under these noncancelable operating leases as of December 31, 2020, are as follows:

Years ending December 31:	
2021	$ 1,903,664
2022	1,594,683
2023	784,756
2024	725,644
2025	359,891
	$ 5,368,638

Enterprises has commitments for future investment in its existing real estate investments that are paid upon a capital call from the investment fund or partnership. Future commitments as of December 31, 2020 and 2019, totaled $4,505,849 and $6,172,760, respectively.

Enterprises is involved in claims and litigation in the normal course of business. Management believes the applicable insurance coverage is adequate to cover costs of settlement and defense of such claims and litigation.

Note 12. Total Net Asset Composition

In addition to endowment funds, the Foundation also manages other nonendowed funds. The Foundation's total net asset composition as of December 31, 2020, is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowments	$ -	546,725,500	$ 546,725,500
Board-designated endowments	864,434	-	864,434
Total endowed funds	864,434	546,725,500	547,589,934
Nonendowed funds:			
Designated	17,030,710	914,434	17,945,144
Donor advised	112,186,327	5,158	112,191,485
Field of interest	24,199,374	2,307,039	26,506,413
Reserve	7,700,933	-	7,700,933
Scholarship	11,095,123	2,020,405	13,115,528
Supporting organization	90,464,532	4,275,400	94,739,932
Undesignated	6,077,281	2,814	6,080,095
Total nonendowed funds	268,754,280	9,525,250	278,279,530
Beneficial interest in trusts	-	102,461,755	102,461,755
	$ 269,618,714	$ 658,712,505	$ 928,331,219

For the year ended December 31, 2020, the Foundation and Enterprises incurred $8,312,353 and $78,554,118, respectively, in expenses that satisfied the restricted purposes of net assets.

The Foundation's total net asset composition as of December 31, 2019, is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowments	$ -	582,946,064	$ 582,946,064
Board-designated endowments	756,656	-	756,656
Total endowed funds	756,656	582,946,064	583,702,720
Nonendowed funds:			
Designated	11,724,592	904,967	12,629,559
Donor advised	99,168,478	10,910	99,179,388
Field of interest	24,453,772	1,358,752	25,812,524
Reserve	6,697,339	-	6,697,339
Scholarship	10,812,158	2,481,450	13,293,608
Supporting organization	88,341,848	4,040,459	92,382,307
Undesignated	4,732,182	-	4,732,182
Total nonendowed funds	245,930,369	8,796,538	254,726,907
Beneficial interest in trusts	-	91,334,043	91,334,043
	$ 246,687,025	$ 683,076,645	$ 929,763,670

Note 12. Total Net Asset Composition (Continued)

For the year ended December 31, 2019, the Foundation and Enterprises incurred $26,738,551 and $99,528,854, respectively, in expenses that satisfied the restricted purposes of net assets.

Note 13. Endowments

The Foundation's endowment consists of funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation had one board-designated endowment as of December 31, 2020 and 2019.

As of December 31, 2020, the endowment net assets composition by type is comprised of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Designated	$ -	$ 33,513,676	$ 33,513,676
Donor advised	-	3,471,001	3,471,001
Field of interest	-	21,417,225	21,417,225
Scholarship	-	64,857,402	64,857,402
Supporting organization	-	423,459,692	423,459,692
Undesignated	-	6,504	6,504
Board-designated	864,434	-	864,434
Total funds endowed	$ 864,434	$ 546,725,500	$ 547,589,934

As of December 31, 2019, the endowment net assets composition by type was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Designated	$ -	$ 31,628,564	$ 31,628,564
Donor advised	-	3,107,185	3,107,185
Field of interest	-	18,588,170	18,588,170
Scholarship	-	59,954,845	59,954,845
Supporting organization	-	469,660,845	469,660,845
Undesignated	-	6,455	6,455
Board-designated	756,656	-	756,656
Total funds endowed	$ 756,656	$ 582,946,064	$ 583,702,720

In addition to net assets resulting from cash equivalent funds and securities, the Foundation's endowment is also comprised of Enterprises' net assets (as the donor's gift is restricted for endowment).

Note 13. Endowments (Continued)

The Foundation had the following changes in endowment net assets for the year ended December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2020	$ 756,656	$ 582,946,064	$ 583,702,720
Enterprises comprehensive income (loss)	-	(48,658,801)	(48,658,801)
Contributions	-	24,087	24,087
Other adjustments		(38,243)	(38,243)
Net investment earnings with donor restrictions	107,778	17,860,781	17,968,559
Amounts appropriated for expenditures	-	(5,408,388)	(5,408,388)
Endowment net assets as of December 31, 2020	$ 864,434	$ 546,725,500	$ 547,589,934

The Foundation had the following changes in endowment net assets for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2019	$ -	$ 557,412,272	$ 557,412,272
Enterprises comprehensive income (loss)	-	7,548,955	7,548,955
Contributions	-	10,499,170	10,499,170
Other adjustments	756,656	(1,353,228)	(596,572)
Net investment earnings with donor restrictions	-	27,797,852	27,797,852
Amounts appropriated for expenditures	-	(18,958,957)	(18,958,957)
Endowment net assets as of December 31, 2019	$ 756,656	$ 582,946,064	$ 583,702,720

Funds with deficiencies: The Foundation 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. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures under law.

The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The current policy restricts spending from funds that are underwater two times the annual spend rate.

Note 13. Endowments (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions and totaled $16,308 and $133,016 as of December 31, 2020 and 2019, respectively, as follows:

	December 31	
	2020	2019
Original gift (corpus) amount	$ 40,808	$ 2,431,243
Fair value at year-end	24,500	2,298,227
Total deficiency	$ 16,308	$ 133,016

Return objectives and risk parameters: The investment objective is to obtain a total rate of return that exceeds the anticipated impact of inflation on the consumer price index, plus all annual investment, administration, and charitable expenditures.

Strategies employed for achieving objectives: 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.

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 investment policy has established an achievable return objective through diversification of investment assets.

Spending policy and how the investment objectives relate to spending policy: The spending policy calculates the amount of money annually appropriated for spending from the Foundation’s various endowment funds. The current spending policy is to appropriate an amount equal to 4% of a moving 12-quarter average through the end of the third quarter preceding the fiscal year in which the distribution is planned for all types of funds. The Foundation reviews its endowment spending policy annually and considers the long-term expected return on the endowment, the anticipated rate of inflation and the funds’ specific expenses.

Trusts held by third-party trustees created under the Plan and held in the Foundation’s endowment are subject to the Foundation’s endowment spending policies, but are not subject to the Foundation’s endowment investment policies.

Note 14. Functional Expenses

The following reflects the classification of expenses for the Foundation and the Charitable Fund by both the underlying nature of the expense and function, for the year ended December 31, 2020. An individual expense is allocated to the underlying activity through which it was incurred. The Foundation has certain expenses that must be allocated on a reasonable basis, which has been consistently applied: depreciation, rent and occupancy expenses are allocated based on a square footage. Salaries of the Foundation are allocated based on a time study of where the efforts were made. The remaining expenses of the Foundation are allocated based on the function of the division or the underlying funds within a division. The Foundation and the Charitable Fund have excluded a federal tax benefit totaling ($11,366,462) for the year ended December 31, 2020, from functional expenses below.

	Foundation and Charitable Fund				
	Program Activities				
	Grants and Scholarships	Program Services	Fundraising	General and Administrative	Total
Personnel expenses	$ -	$ 2,786,633	$ 354,145	$ 3,782,573	$ 6,923,351
Depreciation and amortization	-	125,651	6,473	231,948	364,072
Occupancy	-	743,643	26,556	1,024,223	1,794,422
Office expenses	-	277,104	7,780	581,270	866,154
Professional services	-	1,719,986	33,035	1,408,741	3,161,762
Equipment and technology	-	385,811	41,912	441,652	869,375
Dues and staff development	-	40,239	67	174,511	214,817
Public relations and community engagement	-	945,478	22,052	11,420	978,950
Grants and scholarships	61,269,706	-	-	-	61,269,706
	$ 61,269,706	$ 7,024,545	$ 492,020	$ 7,656,338	$ 76,442,609

The following reflects the classification of expenses for the Foundation and the Charitable Fund by both the underlying nature of the expense and function, for the year December 31, 2019. The Foundation and the Charitable Fund have excluded a federal tax benefit totaling ($1,101,390) for the year ended December 31, 2019, from functional expenses below.

	Foundation and Charitable Fund				
	Program Activities				
	Grants and Scholarships	Program Services	Fundraising	General and Administrative	Total
Personnel expenses	$ -	$ 2,282,309	$ 468,982	$ 3,687,806	$ 6,439,097
Depreciation and amortization	-	82,308	4,773	184,396	271,477
Occupancy	-	659,496	32,674	1,104,218	1,796,388
Office expenses	-	239,981	581	362,793	603,355
Professional services	-	1,542,143	1,083	1,386,912	2,930,138
Equipment and technology	-	250,968	44,111	459,766	754,845
Dues and staff development	-	80,095	603	382,107	462,805
Public relations and community engagement	-	873,202	140,617	54,309	1,068,128
Grants and scholarships	41,838,411	-	-	-	41,838,411
	$ 41,838,411	$ 6,010,502	$ 693,424	$ 7,622,307	$ 56,164,644

Note 14. Functional Expenses (Continued)

The following reflects the classification of expenses for Enterprises by both the underlying nature of the expense and function, for the year ended December 31, 2020. An individual expense is allocated to the underlying activity through which it was incurred. Bank and credit card fees, payroll benefits, depreciation, rent and occupancy for Enterprises have been allocated among the divisions and supporting services benefited. Enterprises has excluded a federal income tax expense totaling $440,000 and impairment expense of $17,036,825 for the year ended December 31, 2020, from functional expenses below.

	Enterprises		
	Theater and Real Estate Operations	General and Administrative	Total
Cost of sales	$ 8,853,612	$ -	$ 8,853,612
Personnel expenses	9,474,892	2,690,502	12,165,395
Depreciation and amortization	17,839,460	56,181	17,895,641
Occupancy	12,520,544	568,211	13,088,756
Office expenses	2,805,784	271,421	3,077,205
Professional services	916,875	723,906	1,640,780
Equipment and technology	733,208	241,570	974,779
Interest expense	3,145,595	-	3,145,595
Other	38,638	-	38,638
Dues and subscriptions	66,683	130,211	196,893
	$ 56,395,291	$ 4,682,002	$ 61,077,292

The following reflects the classification of expenses for Enterprises by both the underlying nature of the expense and function, for the year ended December 31, 2019. Enterprises has excluded a federal income tax expense totaling $305,189 for the year ended December 31, 2019, from functional expenses below.

	Enterprises		
	Theater and Real Estate Operations	General and Administrative	Total
Cost of sales	$ 36,262,643	$ 495	$ 36,263,138
Personnel expenses	13,286,003	6,648,460	19,934,463
Depreciation and amortization	16,468,126	507,412	16,975,538
Occupancy	13,757,517	869,274	14,626,791
Office expenses	2,879,285	566,355	3,445,640
Professional services	753,986	1,662,371	2,416,357
Equipment and technology	648,185	546,181	1,194,366
Interest expense	4,164,921	-	4,164,921
Other	(1,028,154)	(664,587)	(1,692,741)
Dues and subscriptions	52,700	174,331	227,031
	$ 87,245,212	$ 10,310,292	$ 97,555,504

Note 15. Retirement Plans

The Foundation has adopted a Simplified Employee Pension Plan. All full-time employees of the Foundation, excluding employees of Enterprises and one supporting organization, are eligible beneficiaries immediately upon hire. The percentage contributed by the Foundation is set annually and may range from 0% to 25% of an employee's gross wages. Contributions are immediately fully vested.

The Foundation has adopted the San Antonio Area Foundation 403(b) Plan (the Retirement Plan). Eligible employees may make voluntary contributions to the Retirement Plan, subject to Internal Revenue Service (IRS) limitations. All Foundation employees, excluding employees of Enterprises and one supporting organization, may participate in the Retirement Plan. The Foundation does not make contributions to this Retirement Plan. Benefits paid under the Retirement Plan are limited to the sum of the employee's contributions and investment earnings on those contributions.

Enterprises established a 401(k) plan for all of its (and its consolidated entities') eligible employees. All employees age 21 or older who have completed six months of service are eligible to participate. Eligible employees may contribute a percentage of their annual compensation limited to a maximum amount as set by the IRS. Enterprises will match 50% of the employee's elective contributions up to 6%. During 2020 and 2019, Enterprises elected to make a safe harbor nonelective contribution on behalf of each eligible employee in an amount equal to 3% of the employees' annual compensation.

One supporting organization has established a 401(k) plan for its eligible employees. All employees age 21 or older who have completed six months of service and perform a minimum of 1,000 hours annually are eligible to participate. Eligible employees may contribute a percentage of their annual compensation limited to a maximum amount as set by the IRS. The supporting organization will match a percentage of the employee's elective contributions, as determined by the supporting organization. The employee and employer contributions vest 0% after one year of service, 50% after two years of service and 100% after three years of service.

Note 16. Concentrations of Credit Risk

The Foundation maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are generally guaranteed by the Federal Deposit Insurance Corporation up to $250,000. The Foundation has not experienced any losses in such accounts. The Foundation also maintains accounts with multiple brokerage firms, which include industry-grade money market funds, mutual funds, equities, government obligations and other asset classes. Balances are insured up to $500,000 (with a limit of $250,000 for cash) by the Securities Investor Protection Corporation. At times, balances within these accounts may exceed the insured limits. Management believes the Foundation is not exposed to any significant risk with respect to its cash and cash equivalents.

As of December 31, 2020, 74% of net contributions receivable are due from one donor and 45% of net grants and scholarships payable are due to three grantees. Additionally, 40% of the Foundation's contributions in 2020 were received from two donors. As of December 31, 2019, 87% of net contributions receivable was due from one donor and 28% of net grants and scholarships payable were due to three grantees. Additionally, 73% of the Foundation's contributions in 2019 were received from two donors.

Real estate operations (see Note 5) are subject to a number of risks and uncertainties due to its concentration in the real estate industries, including, but not limited to, the cyclical nature of real estate operations, governmental regulations, environmental considerations, competition, the availability of financing and the risk of natural disasters that may occur where the Foundation's real estate properties are located.

Note 16. Concentrations of Credit Risk (Continued)

Theater operations are subject to a number of risks and uncertainties due to its concentration in the movie theater industry, including, but not limited to, competition in attracting patrons, licensing motion pictures and low barriers to entry by national, regional and independent movie theaters.

Note 17. Derivative Obligations

Enterprises uses derivatives for risk management purposes and, accordingly, does not use derivatives for any speculative purposes. The outstanding notional amount of $39,233,334 and $41,356,667 as of December 31, 2020 and 2019, respectively, is associated with interest rate swaps that convert floating rate long-term debt to fixed-rate debt. The fair value of the interest rate swaps as of December 31, 2020 and 2019 respectively was a liability totaling $1,232,420 and 234,243 (Note 4).

The change in fair value of the interest rate swaps, which totaled ($998,177) and ($1,286,886) for the years ended December 31, 2020 and 2019, respectively, is recognized as an unrealized (loss) gain on interest rate swaps and is included in the consolidated statements of activities.

Note 18. Liquidity and Availability

The Foundation regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the return on investment of its funds not required for annual operations. As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing mission-related activities, as well as the conduct of services performed to support those activities.

The following financial assets are available to meet general expenditures:

	December 31	
	2020	2019
Cash and cash equivalents	$ 10,787,040	$ 20,448,270
Accounts receivable and other receivables, net	102,082	432,340
Contributions receivable, net	12,137,346	11,706,708
Notes receivable	412,515	587,143
	23,438,983	33,174,461
Less:		
Amounts not due within one year or subject to donor restriction	9,802,152	900,089
Amounts subject to donor restriction	16,919,708	18,558,186
Financial assets available to meet cash needs for general expenditures within one year	$ (3,282,878)	$ 13,716,186

In addition to these resources, the Board has chosen to charge administrative fees to all funds based on the funds' monthly asset value. The administrative fee rates vary by type of fund. These fees fund the Foundation's general operations. For 2020 and 2019, administrative fees of $8,215,167 and $6,286,809 were earned, respectively. In addition, the Board has designated certain funds as reserves available for operational purposes, with Board approval. The amount of the reserves as of December 31, 2020 and 2019, totaled $8,565,367 and $7,453,995, respectively.

Note 18. Liquidity and Availability (Continued)

The Foundation manages its cash available for grantmaking purposes by examining the fund for purpose and time restrictions. Funds with purpose and time restrictions are not considered available for general expenditures. Endowment funds consist of donor-restricted endowments. As described in Note 13, the Foundation's endowments are subject to an annual spending rate. During 2020, the spending rate was 4%. A spendable amount estimated to be $8,205,038 will be made available for grantmaking from these endowments during 2021.

Note 19. Impairment of Long-Lived Assets

During 2020 and 2019, Enterprises evaluated the value of its long-lived assets and land held for sale. Based on this evaluation, Enterprises determined that an undeveloped land parcel, classified as land held for sale, was impaired and wrote the asset down by $2,300,347 in 2020. During 2019, Enterprises determined its investment in a limited partnership was impaired and recognized an impairment of $1,668,161.

Note 20. Risk and Uncertainties

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of business and people throughout the United States. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus impacts the Foundation's results will depend on the future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the Foundation, but such an impact could have material adverse effect on the financial condition of the Foundation.

Note 21. Subsequent Events

The following events occurred subsequent to December 31, 2020:

- On April 15, 2020, the Foundation signed a note payable agreement with a financial institution in the amount of $747,300, pursuant to the Paycheck Protection Program under Division A, title 1 of the CARES Act, which was enacted on March 27, 2020. The note bears interest at a rate of 1% per annum. Funds from the loan may be used for payroll, employee benefits, mortgage payments, rent, utilities, and interest on other long-term debt obligations. The Foundation used the entire loan amount for qualifying expenses as described in the CARES Act. Subsequent to year-end the Foundation filed an application for loan forgiveness. Loan forgiveness notification from the financial institution was received on February 10, 2021.

- On January 1, 2021, the Warm Springs Foundation, Inc. ended its supporting organization relationship with the Foundation. The Warm Springs Foundations net assets of $65,363,839 will no longer be included in the Foundations consolidated net assets after this date.

- The Shuttered Venue Operators Grant (SVOG) program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act. The program provides grants to shuttered venues, to be administered by SBA's Office of Disaster Assistance. On June 18, 2021 Enterprises was awarded $10,000,000 through this program to offset the economic impacts of COVID-19.

Supplementary Information

Independent Auditor's Report on the Supplementary Information

San Antonio Area Foundation

Consolidating Statement of Financial Position
December 31, 2020

	San Antonio Area Foundation	John L. Santikos Charitable Foundation: Santikos Enterprises, LLC	John L. Santikos Charitable Foundation: Charitable Fund	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 16,443,799	$ 17,630,355	$ 1,245,506	$ -	$ 35,319,660
Receivables:					
Accounts receivable and other receivables, net	102,082	904,435	-	-	1,006,517
Contributions, net	12,137,346	-	-	-	12,137,346
Notes receivable	194,853	-	217,662	-	412,515
Total receivables	12,434,281	904,435	217,662	-	13,556,378
Investments:					
Cash equivalent funds and securities	387,401,344	2,606,499	12,844,914	-	402,852,757
Limited liability companies and partnerships	4,495,225	33,264,383	-	-	37,759,608
Oil and gas interests	9,469,354	-	-	-	9,469,354
Real estate	597,500	-	-	-	597,500
Real estate, leasing and theater operations, net	-	340,307,161	-	-	340,307,161
Total investments	401,963,423	376,178,043	12,844,914	-	790,986,380
Prepaid expenses and other assets	364,003	4,397,100	13,648,067	-	18,409,170
Beneficial interest in trusts	100,747,236	-	1,714,519	-	102,461,755
Headquarters and equipment, net	1,216,565	-	-	-	1,216,565
Goodwill	-	74,543,320	-	-	74,543,320
Collections (Note 8)	-	-	-	-	-
Total assets	$ 533,169,307	$ 473,653,253	$ 29,670,668	$ -	$ 1,036,493,228
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	$ 1,203,539	$ 11,175,343	$ 107,249	$ -	$ 12,486,131
Grants and scholarships payable, net	647,275	-	627,101	-	1,274,376
Deferred revenue	55,610	2,908,709	-	-	2,964,319
Interest rate swaps	-	1,232,420	-	-	1,232,420
Charitable gift annuities payable	303,587	-	-	-	303,587
Other liabilities	109,880	556,758	-	-	666,638
Long-term debt	932,749	73,645,677	-	-	74,578,426
Charitable funds held for the benefit of other organizations	14,656,112	-	-	-	14,656,112
Total liabilities	17,908,752	89,518,907	734,350	-	108,162,009
Net assets:					
Without donor restrictions:					
Designated for reserve fund	8,565,367	-	-	-	8,565,367
Donor advised and other designated funds	254,641,970	-	-	-	254,641,970
Undesignated funds	6,411,377	-	-	-	6,411,377
Member's equity in Santikos Enterprises, LLC	-	384,134,346	-	(384,134,346)	-
Total net assets without donor restrictions and member's equity	269,618,714	384,134,346	-	(384,134,346)	269,618,714
With donor restrictions	245,641,841	-	28,936,318	384,134,346	658,712,505
Total net assets	515,260,555	384,134,346	28,936,318	-	928,331,219
Total liabilities and net assets	$ 533,169,307	$ 473,653,253	$ 29,670,668	$ -	$ 1,036,493,228

San Antonio Area Foundation

Consolidating Statement of Activities
Year Ended December 31, 2020

	San Antonio Area Foundation			John L. Santikos Charitable Foundation					
	Without Donor Restrictions	With Donor Restrictions	Total	Enterprises	Charitable Fund Without Donor Restrictions	Charitable Fund With Donor Restrictions	Total	Eliminations	Consolidated Total
Revenues and support:									
Foundation:									
Contributions and grants	$ 63,631,408	$ 2,802,253	$ 66,433,661	$ -	$ -	$ -	$ -	$ (4,092,260)	$ 62,341,401
Investment income, net	4,885,241	6,936,504	11,821,745	-	-	201,601	201,601	-	12,023,346
Net realized and unrealized gains on investments	13,770,318	10,518,114	24,288,432	-	-	-	-	-	24,288,432
Mineral interest revenue, net	968,387	261,400	1,229,787	-	-	-	-	-	1,229,787
Change in value of beneficial interest in trusts	(35,662)	12,129,494	12,093,832	-	-	(204,109)	(204,109)	-	11,889,723
Change in value of gift annuities	(27,273)	(39,151)	(66,424)	-	-	-	-	-	(66,424)
Program revenue	158,528	-	158,528	-	-	-	-	-	158,528
Other income	436,796	908	437,704	-	-	-	-	-	437,704
Transfers	2,181,751	-	2,181,751	-	-	-	-	(2,181,751)	-
Net assets released from restriction	9,111,318	(9,111,318)	-	-	(798,965)	798,965	-	-	-
	95,080,812	23,498,204	118,579,016	-	(798,965)	796,457	(2,508)	(6,274,011)	112,302,497
Enterprises:									
Theater box office, concessions and other theater revenue	-	-	-	23,584,941	-	-	23,584,941	-	23,584,941
Rental income	-	-	-	12,605,675	-	-	12,605,675	-	12,605,675
Interest income	-	-	-	455,324	-	-	455,324	-	455,324
Investment income, net	-	-	-	(7,607,558)	-	-	(7,607,558)	-	(7,607,558)
Other Income				1,855,112	-	-	1,855,112	-	1,855,112
Change in net unrealized loss on interest rate swaps	-	-	-	(998,177)	-	-	(998,177)	-	(998,177)
	-	-	-	29,895,317	-	-	29,895,317	-	29,895,317
Total revenues and support	95,080,812	23,498,204	118,579,016	29,895,317	(798,965)	796,457	29,892,809	(6,274,011)	142,197,814

(Continued)

San Antonio Area Foundation

Consolidating Statement of Activities (Continued)
Year Ended December 31, 2020

	San Antonio Area Foundation				John L. Santikos Charitable Foundation				
	Without Donor Restrictions	With Donor Restrictions	Total	Enterprises	Charitable Fund Without Donor Restrictions	Charitable Fund With Donor Restrictions	Total	Eliminations	Consolidated Total
Expenses:									
Foundation:									
Grants and scholarships	$ 57,078,657	$ -	$ 57,078,657	$ -	$ 8,283,309	$ -	$ 8,283,309	$ (4,092,260)	$ 61,269,706
Program services	7,024,545	-	7,024,545	-	-	-	-	-	7,024,545
Fundraising expense	492,020	-	492,020	-	-	-	-	-	492,020
General and administrative	7,350,358	-	7,350,358	-	2,487,731	-	2,487,731	(2,181,751)	7,656,338
Federal taxes	203,543	-	203,543	-	(11,570,005)	-	(11,570,005)	-	(11,366,462)
	72,149,123	-	72,149,123	-	(798,965)	-	(798,965)	(6,274,011)	65,076,147
Enterprises:									
Theater and real estate operations	-	-	-	56,395,291	-	-	56,395,291	-	56,395,291
General and administrative	-	-	-	4,682,002	-	-	4,682,002	-	4,682,002
Impairment Charges	-	-	-	17,036,825	-	-	17,036,825	-	17,036,825
Income tax	-	-	-	440,000	-	-	440,000	-	440,000
	-	-	-	78,554,118	-	-	78,554,118	-	78,554,118
Total expenses	72,149,123	-	72,149,123	78,554,118	(798,965)	-	77,755,153	(6,274,011)	143,630,265
Change in net assets	22,931,689	23,498,204	46,429,893	(48,658,801)	-	796,457	(47,862,344)	-	(1,432,451)
Net assets at beginning of year	246,687,025	222,143,637	468,830,662	432,793,147	-	28,139,861	460,933,008	-	929,763,670
Changes to nets assets:									
Contribution to the Foundation	-	-	-	-	-	-	-	-	-
Net assets at end of year	$ 269,618,714	$ 245,641,841	$ 515,260,555	$ 384,134,346	$ -	$ 28,936,318	$ 413,070,664	$ -	$ 928,331,219