San Antonio Area Foundation

Where Giving and Community Connect

San Antonio Area Foundation

Consolidated Financial Statements and Supplementary Information

December 31, 2021 and 2020

Contents

Independent Auditor's Report

Audit Committee and the Board of Directors
San Antonio Area Foundation

Opinion
We have audited the consolidated financial statements of San Antonio Area Foundation (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

San Antonio, Texas
November 14, 2022

San Antonio Area Foundation

Consolidated Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 33,992,975	$ 35,319,660
Receivables:		
Accounts receivable and other receivables, net	664,220	1,006,517
Contributions receivable, net	21,700,762	12,137,346
Notes receivable	230,721	412,515
Total receivables	22,595,703	13,556,378
Investments:		
Cash equivalent funds and securities	395,360,208	402,852,757
Limited liability companies and partnerships	24,767,192	37,759,608
Oil and gas interests	4,689,658	9,469,354
Real estate	357,500	597,500
Real estate, leasing and theater operations, net	327,811,397	340,307,161
Total investments	752,985,955	790,986,380
Prepaid expenses and other assets	5,552,442	4,769,385
Beneficial interest in trusts	205,418,266	102,461,755
Headquarters and equipment, net	877,210	1,216,565
Goodwill	74,543,320	74,543,320
Deferred tax asset	16,794,040	13,639,785
Collections (Note 8)	-	-
Total assets	$ 1,112,759,911	$ 1,036,493,228
Liabilities and Net Assets		
Liabilities:		
Accounts payable and other liabilities	$ 15,316,479	$ 17,653,095
Grants and scholarships payable, net	1,137,124	1,274,376
Income tax payable	898,081	-
Long-term debt	35,947,092	74,578,426
Charitable funds held for the benefit of other organizations	16,761,057	14,656,112
Total liabilities	70,059,833	108,162,009
Net assets:		
Without donor restrictions:		
Designated for reserve fund	9,408,137	8,565,367
Donor advised and other designated funds	218,563,412	254,641,970
Undesignated funds	8,146,475	6,411,377
Total without donor restrictions	236,118,024	269,618,714
With donor restrictions	806,582,054	658,712,505
Total with donor restrictions	806,582,054	658,712,505
Total net assets	1,042,700,078	928,331,219
Total liabilities and net assets	$ 1,112,759,911	$ 1,036,493,228

See notes to consolidated financial statements.

San Antonio Area Foundation

Consolidated Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Foundation:			
Contributions and grants	$ 51,849,961	$ 119,680,970	$ 171,530,931
Investment income, net	2,258,261	6,962,149	9,220,410
Net realized and unrealized gains on investments	16,115,859	16,304,731	32,420,590
Mineral interest revenue, net	18,959	526,336	545,295
Change in value of beneficial interest in trusts	8,498	11,288,583	11,297,081
Change in value of gift annuities	(114,713)	(9,526)	(124,239)
Program revenue	353,751	-	353,751
Other income	1,053,655	35	1,053,690
Net assets released from restriction	12,788,366	(12,788,366)	-
	84,332,597	141,964,912	226,297,509
Enterprises:			
Theater box office, concessions and other theater revenue	-	58,952,049	58,952,049
Rental income	-	12,831,320	12,831,320
Interest income	-	713,469	713,469
Investment income, net	-	3,505,415	3,505,415
Other income	-	853,152	853,152
Grant income	-	17,243,674	17,243,674
Realized gain on interest rate swaps	-	845,320	845,320
Realized gain on sale of investments	-	6,823,860	6,823,860
Net assets released from restriction	80,074,231	(80,074,231)	-
	80,074,231	21,694,028	101,768,259
Total revenues and support	164,406,828	163,658,940	328,065,768
Expenses:			
Foundation:			
Grants and scholarships	43,295,802	-	43,295,802
Program services	5,696,703	-	5,696,703
Fundraising	546,514	-	546,514
General and administrative	6,080,811	-	6,080,811
Federal taxes (refund)	(3,108,221)	-	(3,108,221)
	52,511,609	-	52,511,609
Enterprises:			
Theater and real estate operations	72,949,595	-	72,949,595
General and administrative	5,995,328	-	5,995,328
Impairment charges	889,537	-	889,537
Income tax	239,771	-	239,771
	80,074,231	-	80,074,231
Total expenses	132,585,840	-	132,585,840
Change in net assets	31,820,988	163,658,940	195,479,928
Net assets at beginning of year	269,618,714	658,712,505	928,331,219
Less: Warm Springs Foundation net assets	65,321,678	15,789,391	81,111,069
Adjust net assets at beginning of year	204,297,036	642,923,114	847,220,150
Net assets at end of year	$ 236,118,024	$ 806,582,054	$ 1,042,700,078

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 (refund)	(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 Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 195,479,928	$ (1,432,451)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Impairment of long-lived assets	889,537	17,036,825
Provision for bad debts	416,308	414,015
Depreciation and amortization	17,552,563	17,557,386
Net realized and unrealized (gains) on investments	(17,748,410)	(17,646,487)
Change in value of beneficial interest in trusts	(11,297,081)	(11,088,559)
Realized (gain) loss on interest rate swaps	(845,320)	998,177
Losses on sale of property and equipment, land held for investment, and land held for sale	38,483	272,791
Noncash contributions	(109,057,198)	9,048,019
Paycheck Proctection Program loan forgiveness	(747,300)	-
Interest earned on notes receivable	(13,060)	(12,320)
Net change in:		
Accounts receivable and other receivables, net	(74,044)	579,675
Contributions receivable, net	(9,563,416)	(430,638)
Prepaid expenses and other assets	(802,476)	289,869
Accounts payable and other liabilities	2,397,448	(3,127,887)
Deferred tax asset	(3,154,255)	(11,582,381)
Grants and scholarships payable, net	(78,531)	(2,908,692)
Deferred revenue	(2,921,154)	626,893
Other liabilities	51,608	(59,833)
Charitable funds held for the benefit of other organizations	2,104,945	1,373,905
Net cash provided by (used in) operating activities	62,628,575	(91,693)
Cash flows from investing activities:		
Purchases of property and equipment	(5,125,993)	(2,889,586)
Proceeds from sale of assets	4,001	10,126
Collections on notes receivable	54,854	186,949
Purchases of investments	(83,947,772)	(98,280,991)
Proceeds from sale of investments	64,451,548	84,713,287
Proceeds from life insurance policy	-	726,793
Net cash used in investing activities	(24,563,362)	(15,533,422)
Cash flows from financing activities:		
Payments on long-term debt	(39,432,522)	(87,346,555)
Proceeds from long-term debt	1,366,599	74,493,131
Proceeds from issuance of Paycheck Protection Program loan	-	747,300
Net increase in liabilities due to annuitants	(6,698)	(63,947)
Payment of deferred financing fees	-	(861,816)
Net cash used in financing activities	(38,072,621)	(13,031,887)
Net decrease in cash and cash equivalents	(7,408)	(28,657,002)
Cash and cash equivalents at beginning of year	35,319,660	63,976,662
Less: Warm Springs Foundation	1,319,277	-
	34,000,383	63,976,662
Cash and cash equivalents at end of year	$ 33,992,975	$ 35,319,660

(Continued)

San Antonio Area Foundation

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2021 and 2020

	2021	2020
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 3,376,698	$ 3,145,594

See notes to consolidated financial statements.

Note 1. Foundation and Significant Accounting Policies

Description of the organization: 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. (2007-2020)
- Rapier Educational Foundation (2010)
- Choose to Succeed (2012)
- Culinary Health Education for Families (2017)
- Friends of the Carver Academy/IDEA (2013)
- City Education Partners (2015)
- John L. Santikos Charitable Foundation (2015)
- Students + Startups (2019)

Effective January 1, 2021, the Warm Springs Foundation, Inc. ended its supporting organization relationship with the Foundation. The Warm Springs Foundation's net assets of $81,111,069 are no longer included in the Foundation's consolidated net assets.

Assets	
Cash and cash equivalents	$ 1,319,277
Receivables, net	140,032
Investments	79,801,774
Prepaid expenses	5,100
Total assets	$ 81,266,183
Liabilities and net assets	
Accounts payable and other liabilities	$ 155,114
Net Assets	81,111,069
Total liabilities and net assets	$ 81,266,183

Note 1. Foundation and Significant Accounting Policies (Continued)

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).

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 $1,711,690 at December 31, 2021 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
- Silverado SA Theater Realty, LLC
- Santikos Cibolo Crossing Theater Realty, LLC
- Santikos Casa Blanca SA Theater Realty, LLC
- Santikos Northwest 14 Theater Realty, LLC

Note 1. Foundation and Significant Accounting Policies (Continued)

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.

The Foundation's financial statements follow the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed 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.

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.

Note 1. Foundation and Significant Accounting Policies (Continued)

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 released to 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

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.

Note 1. Foundation and Significant Accounting Policies (Continued)

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 24 funds at December 31, 2021, 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 and 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.

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. Accordingly, actual results could differ from those estimates.

Note 1. Foundation and Significant Accounting Policies (Continued)

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 equivalents include certificates of deposits with maturities of less than one year. The cash balance includes cash used for daily operations.

Accounts receivable and other receivables, net: 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, 2021 and 2020, are presented net of an allowance for doubtful accounts of **Error! Not a valid link.**$480,348 and $436,380, 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, 2021 and 2020, management has determined that no allowance is necessary (see Note 3).

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, 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.

Note 1. Foundation and Significant Accounting Policies (Continued)

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.

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. (See Note 18).

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 5).

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).

Note 1. Foundation and Significant Accounting Policies (Continued)

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

	December 31	
	2021	2020
Deferred leasing and financing cost, net	$ 1,245,411	$ 1,288,644
Deferred lease income	1,564,392	1,844,283
Prepaid expenses	2,039,761	1,191,186
Inventory	702,878	445,272
	$ 5,552,442	$ 4,769,385

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 two 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.

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, 2021 and 2020, the Foundation received $5,708,337 and $5,855,508 respectively, in distributions from the testamentary trust.

In 2021, the Foundation was able to value all of the assets held within the testamentary trust. An additional $111,657,386 was recorded as a contribution in 2021.

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).

Note 1. Foundation and Significant Accounting Policies (Continued)

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 $0 and $14,736,478 related to goodwill for the years ended December 31, 2021 and 2020.

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 other liabilities: The Foundation records accounts payable, accrued, and other liabilities at cost.

	December 31	
	2021	2020
Accounts payable and accrued expenses	$ 7,827,559	$ 5,475,427
Accrued payroll and benefits	3,202,851	1,848,428
Property taxes	99,666	5,162,276
Deferred revenue	3,189,291	2,964,319
Interest rate swaps	-	1,232,420
Charitable gift annuities payable	278,865	303,587
Other liabilities	718,247	666,638
	$ 15,316,479	$ 17,653,095

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

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 are long-term obligations and are recorded at cost. As of December 31, 2021 and 2020, other liabilities include tenant deposits of $664,952 and $556,758, and deferred rental expense of $53,294 and $109,880, 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).

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, 2021 and 2020, deferred financing costs netted against long-term debt totaled $69,932 and $44,769, respectively (see Note 10).

Note 1. Foundation and Significant Accounting Policies (Continued)

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 $16,761,057 and $14,656,112 as of December 31, 2021 and 2020, respectively. Included in these amounts are obligations totaling $446,135 and $454,633 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.

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. Significant components of federal income tax (benefit) expense are as follows:

	Years Ended December 31	
	2021	2020
Current	$ 1,065,732	$ (10,816,517)
Deferred	(4,173,953)	(549,945)
	$ (3,108,221)	$ (11,366,462)

Note 1. Foundation and Significant Accounting Policies (Continued)

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 $889,537 and $17,036,825 during the years ended December 31, 2021 and 2020, 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, 2021, management has not identified nor recorded any material loss contingencies.

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. The Foundation is currently evaluating the effects adoption of this guidance will have on its consolidated financial statements.

Note 1. Foundation and Significant Accounting Policies (Continued)

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. This ASU was adopted by Santikos Enterprises' on January 1, 2021, with no material impact on their consolidated financial statements. ASU No. 2020-01 is effective for the Foundation beginning on January 1, 2022.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, requiring an entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets as well as enhanced disclosures. ASU No. 2020-07 should be applied on a retrospective basis and effective for the Foundation for its year ending December 31, 2022. The Foundation is currently evaluating the effects adoption of this guidance will have on its consolidated financial statements.

FASB ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. ASU 2016-13 is effective for the Foundation as of December 31, 2022. The Foundation is currently evaluating the impact of adopting this new guidance on its financial statements and does not expect the impact to be significant.

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	
	2021	2020
Contributions receivable in:		
Less than one year	$ 15,780,418	$ 2,671,055
One year to five years	6,579,256	9,523,892
	22,359,674	12,194,947
Less unamortized discount (3.1%)	658,912	57,601
	$ 21,700,762	$ 12,137,346

The Foundation is eligible for the Employee Retention Credit (ERC) under the CARES Act. Contributions revenue for the ERC at December 31, 2021 totaled $1,187,388, which represents refunds due on the 2021 Form 941-X Adjusted Employer's Quarterly Federal Tax Return or Claim Refund for the quarters ended March 31, June 30, and September 30, 2021. At December 31, 2021, a total of $784,066 in ERC refunds was paid, and the remaining is recorded in contributions receivable in the consolidated statements of financial position. Laws and regulations concerning government programs, including the Employee Retention Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Foundation’s claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Foundation.

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 $15,750,250 and $6,102,648 as of December 31, 2021, and 2020, 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 consists of the following:

	December 31	
	2021	2020
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
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
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.	230,721	217,662
	$ 230,721	$ 412,515

Note 3. Notes Receivable (Continued)

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

	December 31	
	2021	2020
Due in less than one year	$ -	$ 76,654
Due in one year and less than five years	-	70,263
Due in five years or more	230,721	265,598
	$ 230,721	$ 412,515

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) and the lowest priority to unobservable inputs (Level 3). 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.

Note 4. Fair Value Measurements and Disclosures (Continued)

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.

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, cash flows, 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.

Note 4. Fair Value Measurements and Disclosures (Continued)

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.

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. Interest rate swaps are included in accounts payable and other liabilities in the consolidated statements of financial position.

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, 2021, and 2020, 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, 2021, and 2020.

	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in cash equivalent funds and securities:				
Cash and cash equivalents	$ 61,478,965	$ 61,478,965	$ -	$ -
Common stock	51,972,153	51,447,936	524,217	-
Corporate securities-preferred	116,082	116,082	-	-
Mutual funds	177,619,965	177,619,965	-	-
Corporate obligations	5,145,264	3,135,105	2,010,159	-
U.S. government agency obligations	2,830,314	2,665,184	165,130	-
Municipal Bonds	1,154,198	1,154,198	-	-
Mortgage backed securities	2,236,524	2,062,206	174,318	-
Real estate investment trusts	153,861	153,861	-	-
Investments held at NAV*	92,652,882	-	-	-
Total investments in cash equivalent funds and securities	395,360,208	299,833,502	2,873,824	-
Investments in limited liability companies and partnerships	7,195,191	-	-	7,195,191
Investments in limited liability companies and partnerships (equity method)	17,572,001	-	-	-
Investments in oil and gas interests	4,689,658	-	-	4,689,658
Investments in real estate	357,500	-	-	357,500
Real estate, leasing and theater operations, net	327,811,397	-	-	-
Total investments	752,985,955	299,833,502	2,873,824	12,242,349
Beneficial interest in trusts	205,418,266	1,711,690	-	203,706,576
	$ 958,404,221	$ 301,545,192	$ 2,873,824	$ 215,948,925
Liabilities:				
Charitable funds held for the benefit of other organizations	$ 16,761,057	$ 16,761,057	$ -	$ -

* 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, 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)

Investments owned by Enterprises as of December 31, 2021 and 2020 and accounted for under the equity method are summarized below.

	Ownership Interest (%)	2021	2020
Embrey—The Standard at Legacy	N/A	$ -	$ 7,126,408
Admiral Capital Fund	8%	4,378,654	5,884,355
Woodbine Development Legacy	3%	4,771,627	2,197,088
Woodbine Sidecar	17%	902,471	2,962,143
Sage DC (Navy Yard)	21%	2,063,360	2,461,487
Sage Oxford (Denver—Cruiseroom)	26%	1,854,459	2,105,023
Sage Baltimore (Hyatt Place)	27%	1,942,165	2,294,957
Titan Capital Fund	8%	1,659,265	8,232,922
Total equity investments in real estate partnerships		$ 17,572,001	$ 33,264,383

A summary of financial information for Enterprises equity-method investments in the aggregate as of and for the years ended December 31, 2021, and 2020 is as follows:

	Investments in Real Estate Ventures Year Ended December 31, 2021				
	Fund	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Total
Investment property, net	$ 31,332,881	$ 155,915,763	$ 53,467,561	$ 25,808,177	$ 266,524,382
Cash	5,035,614	696,076	770,605	245,636	6,747,931
Other assets	145,460	105	28,006	1,233,424	1,406,995
Total assets	$ 36,513,955	$ 156,611,944	$ 54,266,172	$ 27,287,237	$ 274,679,308
Current liabilities	$ 716,460	$ 1,374,150	$ 502,768	$ 2,934,828	$ 5,528,206
Mortgages payable	14,994,049	-	-	-	14,994,049
Total liabilities	15,710,509	1,374,150	502,768	2,934,828	20,522,255
Partners'/members' capital	20,803,446	155,237,794	53,763,404	24,352,409	254,157,053
Total liabilities and partners' members' capital	$ 36,513,955	$ 156,611,944	$ 54,266,172	$ 27,287,237	$ 274,679,308

[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, 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.

Investments in Real Estate Ventures
Year Ended December 31, 2021

	Titan Capital Fund	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Total
Operating income (loss)	$ 5,007,883	$ (13,453,335)	$ 2,600,062	$ -	$ (5,845,390)
Operating expenses	4,672,788	815,037	906,974	333,280	6,728,079
Net operating income (loss)	335,095	(14,268,372)	1,693,088	(333,280)	(12,573,469)
Other income (loss)	16,766,367	-	-	(3,731,861)	13,034,506
Net realized gain on sale of real estate	31,410,289	-	1,447,663	-	32,857,952
Net change in unrealized appreciation on investments	-	111,782,867	7,709,877	-	119,492,744
Interest expense	(1,078,630)	-	(45,435)	-	(1,124,065)
Net income (loss)	$ 47,433,121	$ 97,514,495	$ 10,805,193	$ (4,065,141)	$ 151,687,668

[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, 2020

	Titan Capital Fund	Embrey— The Standard	Woodbine Funds[1]	Admiral Capital Fund	Sage Funds[2]	Total
Operating income (loss)	$ 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 (loss)	(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 income (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.

As of December 31, 2021, and 2020, unfunded commitments related to the equity-method investments totaled $4,505,849.

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, 2021:

Financial Instruments Type	Fair Value	Valuation Techniques	Unobservable Input (c)	Range of Inputs (Weighted Average)
Assets:				
Investments in limited liability companies and partnerships	$7,195,191	Discounted cash flows	Market comparables	N/A
			Discount for lack of marketability (a)	10.00%-15.00% (12.03%)
			Discount for lack of control (a)	
Investment in oil and gas interests	$4,689,658	Discounted	Revenue multiple (b)	11.4 (11.4)
Investments in real estate	$357,500	Market approach	Market comparables	N/A
Beneficial interest in trusts	$203,706,576	Market approach	Discount rate (a)	N/A

(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, 2021, and 2020:

	Fair Value		Unfunded	Redemption	Redemption
	2021	2020	Commitments	Frequency	Notice Period
Investments in cash equivalent funds and securities:					
Direct lending (a)	$ 4,044,235	$ 9,589,379	$ 3,058,517	Monthly, Illiquid	30-90 days, N/A
Hedged value funds (b)	6,687,534	6,904,601		Liquidating	N/A
Domestic mid/large cap funds (c)	12,160,396	12,444,692		Daily	Daily
Domestic small cap funds (d)	1,483,652	1,233,863		Daily	Daily
Taxable fixed income funds (e)	18,380,794	17,663,777		Daily, Monthly	Daily, 45 days
International and emerging market equity funds (f)	47,314,966	45,832,609		Daily, Monthly	Daily, 30 days
Private equity (g)	2,581,305	1,140,271	1,174,734	Quarterly—Illiquid	5 days, N/A
	$ 92,652,882	$ 94,809,192	$ 4,233,251		

(a) Investments of privately negotiated high-yielding senior debt, subordinated debt and preferred equity investments in franchised business in the United States. Investments in these 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.

(c) 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.

(d) 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.

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

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

(g) 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 life, 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	
	2021	2020
Land and land improvements	$ 66,579,097	$ 66,564,989
Land held for investment	29,450,447	29,450,447
Buildings and building improvements	222,899,781	222,966,119
Leasehold and tenant improvements	34,859,937	36,813,984
Furniture, fixtures and equipment	30,968,118	32,583,697
Construction in progress	3,207,000	135,503
	387,964,380	388,514,739
Less accumulated depreciation and amortization	67,818,638	55,873,233
	320,145,742	332,641,506
Land held for sale	7,665,655	7,665,655
	$ 327,811,397	$ 340,307,161

Investments in real estate, leasing and theater operations with a net book value of $320,145,742 and $332,641,506 as of December 31, 2021, and 2020, 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.

Future minimum lease income under noncancelable operating leases as of December 31, 2021, excluding expense reimbursements, are as follows:

Years ending December 31:	
2022	$ 9,457,506
2023	8,884,258
2024	7,663,857
2025	6,757,050
2026	5,087,800
Thereafter	10,821,070
	$ 48,671,541

Note 6. Split-Interest Agreements

As of December 31, 2021, and 2020, the Foundation has recorded $533,566 and $524,121 in fair value of charitable gift annuities and $1,324,374 and $1,194,126, 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 $28,581 and $39,993 as of December 31, 2021 and 2020, respectively. Amounts owed to beneficiaries under a charitable remainder unitrust totaled $250,284 and $263,594 as of December 31, 2021 and 2020, respectively.

Note 6. Split-Interest Agreements (Continued)

Beneficial interest in perpetual trusts: The Foundation is the beneficiary of two 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.

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 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 2021	December 31 2020
Leasehold and tenant improvements	$ 1,213,257	$ 1,378,284
Furniture and fixtures	274,280	261,489
Equipment	190,705	254,317
Software	707,445	1,679,562
Building	150,000	150,000
Construction in progress	16,360	-
	2,552,047	3,723,652
Less accumulated depreciation	1,674,837	2,507,087
Headquarters and equipment, net	$ 877,210	$ 1,216,565

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, 2021, are expected to be paid as follows:

Years ending December 31:	
2022	$ 1,127,124
2023	10,000
	$ 1,137,124

Note 9. Grants and Scholarships Payable (Continued)

Conditional grant commitments are recognized when the conditions on which they depend are met. As of December 31, 2021 and 2020, the Foundation has conditional grant and scholarship commitments of $8,022,661 and $8,948,874, 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	
	2021	2020
Notes payable to Bank of San Antonio; collateralized by land and buildings; bearing interest at LIBOR plus applicable margin (3%, principle payments of $7,500,000 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.	$ 36,451,207	$ 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%; monthly interest payments of $42,056 plus interest through maturity in April 2022.	-	747,300
Unsecured note payable to individual; with no interest; quarterly principal payments of $6,000 for the remainder of individuals life.	170,975	185,449
	36,622,182	75,417,357
Less: deferred financing cost, net of accumulated amortization of $69,932 and $44,769 as of December 31, 2021 and 2020, respectively.	675,090	838,931
	$ 35,947,092	$ 74,578,426

Paycheck Protection Program loan: On April 15, 2020, the Organization received $747,300 under the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP loan had a two-year term and bore interest at an annual interest rate of 1%. Monthly principal and interest payments were deferred until the SBA remits the borrower’s loan forgiveness amount to the lender if the borrower submitted its loan forgiveness application within 10 months of the completion of the payroll covered period. If the loan was not fully forgiven, the remaining balance due would have been repaid on or before April 15, 2022, the maturity date of the loan.

Under the terms of the CARES Act, PPP loan recipients can apply for, and be granted forgiveness for, all or a portion of the PPP loan and accrued interest. Such forgiveness will be determined, subject to limitations, based on the use of the PPP loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs and covered worker protection expenditures, and retention of employees and maintaining salary levels. Management believes the Foundation has met all the requirements under the terms of the PPP loan for forgiveness. The Foundation applied for loan forgiveness on January 25, 2021. On June 18, 2021, the Foundation received forgiveness for the entire amount of the loan from the SBA and included in the consolidated statements of activities.

Note 10. Long-Term Debt (Continued)

Principal payments required on long-term debt as of December 31, 2021, are as follows:

Years ending December 31:	
2022	$ 24,000
2023	7,524,000
2024	7,524,000
2025	21,475,207
2026	24,000
Thereafter	50,975
	$ 36,622,182

In addition, Santikos Enterprises, LLC also has a $40,000,000 line of credit with BOSA. The line of credit is collateralized by the Legacy, Embassy, Silverado, and Mayan shopping centers including assignment of rents. At December 31, 2021, there were no borrowings on the line of credit leaving an availability of $40,000,000. The line of credit has a five-year term and matures in 2025. Borrowings bear interest at a rate of prime plus 100 basis points, with a floor of 3.5% and a cap of 4.25%.

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.

In addition, Enterprises leases equipment under noncancelable operating leases through 2027 and a corporate office through 2025. Rental expense totaled approximately $1 million for the year ended December 31, 2021.

Future minimum lease payments under these noncancelable operating leases as of December 31, 2021, is as follows:

Years ending December 31:	
2022	$ 1,907,641
2023	1,821,200
2024	1,835,504
2025	1,346,651
2026	1,021,165
Thereafter	939,594
	$ 8,871,755

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, 2021, is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowments	$ -	$ 595,431,358	$ 595,431,358
Board-designated endowments	966,488	-	966,488
Total endowed funds	966,488	595,431,358	596,397,846
Nonendowed funds:			
Designated	19,729,326	867,364	20,596,690
Donor advised	127,069,984	408	127,070,392
Field of interest	32,833,194	1,596,075	34,429,269
Operating	7,532,151	69,421	7,601,572
Scholarship	14,435,691	819,397	15,255,088
Supporting organization	24,495,217	2,329,765	26,824,982
Undesignated	9,055,973	50,000	9,105,973
Total nonendowed funds	235,151,536	5,732,430	240,883,966
Beneficial interest in trusts	-	205,418,266	205,418,266
	$ 236,118,024	$ 806,582,054	$ 1,042,700,078

For the year ended December 31, 2021, the Foundation and Enterprises incurred $12,788,366 and $80,074,231, respectively, in expenses that satisfied the restricted purposes of net assets.

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
Operating	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.

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, 2021, and 2020.

As of December 31, 2021, the endowment net assets composition by type is comprised of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Designated	$ -	$ 39,299,926	$ 39,299,926
Donor advised	-	3,546,837	3,546,837
Field of interest	-	26,372,719	26,372,719
Scholarship	-	80,048,019	80,048,019
Supporting organization	-	445,750,985	445,750,985
Undesignated	-	412,872	412,872
Board-designated	966,488	-	966,488
Total funds endowed	$ 966,488	$ 595,431,358	$ 596,397,846

As of December 31, 2020, the endowment net assets composition by type was as follows:

	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

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, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2021	$ 864,434	$ 546,725,500	$ 547,589,934
Enterprises comprehensive income	-	21,694,028	21,694,028
Contributions	-	10,620,275	10,620,275
Other adjustments	-	(9,491)	(9,491)
Net investment earnings with donor restrictions	102,054	30,761,200	30,863,254
Amounts appropriated for expenditures	-	(14,360,154)	(14,360,154)
Endowment net assets as of December 31, 2021	$ 966,488	$ 595,431,358	$ 596,397,846

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 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

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 $15,690 and $16,308 as of December 31, 2021 and 2020, respectively, as follows:

	December 31	
	2021	2020
Original gift (corpus) amount	$ 30,640	$ 40,808
Fair value at year-end	14,950	24,500
Total deficiency	$ 15,690	$ 16,308

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. Grants and Credits

Enterprises follows ASC 450 related to contingencies which indicates that contingent gains should not be recognized prior to the gain being realizable. As such, any grants or credits received will be recognized when the Company qualifies to received and has received the funds.

During the fiscal year ended December 31, 2021, Enterprises received approximately $18,000,000 under two Shuttered Venue Operators Grants (SVOG). The SVOG program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Acts, and amended by the American Rescue Plan Act and is administered by SBS's Office of Disaster Assistance in response to uncertain economic conditions caused by the COVID-19 pandemic. Through December 31, 2021, Enterprises had used approximately $17,300,000 of the grant proceeds, which were recorded in the consolidated statements of income as grant income. The remaining $740,000 was recorded as deferred revenue, and Enterprises has until June 30, 2022, to expend those funds.

During the fiscal year ended December 31, 2021, Enterprises applied for approximately $4,600,000 of ERC. The ERC program was created under the CARES Ac) and was created to encourage employers to retain and continue paying employees during periods of pandemic-related reductions in business volume. These credits will be recognized as received by Enterprises.

Note 15. 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, 2021. 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 $(3,108,221) for the year ended December 31, 2021, from functional expenses below.

	Foundation and Charitable Fund				
	Program Activities				
	Grants and Scholarships	Program Services	Fundraising	General and Administrative	Total
Personnel expenses	$ -	$ 2,277,604	$ 290,571	$ 3,567,466	$ 6,135,641
Depreciation and amortization	-	113,150	5,823	247,668	366,641
Occupancy	-	633,343	20,641	570,165	1,224,149
Office expenses	-	112,254	23,561	258,872	394,687
Professional services	-	1,627,825	32,641	819,043	2,479,509
Equipment and technology	-	282,289	36,382	444,219	762,890
Dues and staff development	-	19,444	77	140,757	160,278
Public relations and community engagement	-	630,794	136,818	32,621	800,233
Grants and scholarships	43,295,802	-	-	-	43,295,802
	$ 43,295,802	$ 5,696,703	$ 546,514	$ 6,080,811	$ 55,619,830

Note 15. Functional Expenses (Continued)

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, 2020. 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 Enterprises by both the underlying nature of the expense and function, for the year ended December 31, 2021. 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 $239,711, interest expense totaling $3,376,698 and impairment expense of $889,537 for the year ended December 31, 2021, from functional expenses below.

	Enterprises		
	Theater and Real Estate Operations	General and Administrative	Total
Cost of sales	$ 20,471,442	$ -	$ 20,471,442
Personnel expenses	13,860,822	3,695,983	17,556,805
Depreciation and amortization	16,938,650	247,272	17,185,922
Occupancy	13,762,616	768,007	14,530,623
Office expenses	2,718,119	334,641	3,052,760
Professional services	887,951	466,772	1,354,723
Equipment and technology	908,500	378,093	1,286,593
Dues and subscriptions	24,798	104,560	129,358
	$ 69,572,898	$ 5,995,328	$ 75,568,226

Note 15. 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. Enterprises has excluded a federal income tax expense totaling $440,000, interest expense totaling $3,145,594 and impairment expense totaling $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	12,165,394
Depreciation and amortization	17,839,460	56,181	17,895,641
Occupancy	12,520,544	568,211	13,088,755
Office expenses	2,805,784	271,421	3,077,205
Professional services	916,875	723,906	1,640,781
Equipment and technology	733,208	241,570	974,778
Other	38,638	-	38,638
Dues and subscriptions	66,683	130,211	196,894
	$ 53,249,696	$ 4,682,002	$ 57,931,698

Note 16. Retirement Plans

The Foundation has adopted a Simplified Employee Pension Plan. All full-time employees of the Foundation, excluding employees of Enterprises, 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 percentage contributed was 6% in 2021 and 2020. The amounts contributed were $307,042 and $333,546 for the years ended December 31, 2021, and 2020, respectively.

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 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 its (and its consolidated entities') eligible employees. 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 2021 and 2020, 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. Enterprises contributed $596,852 and $519,300 for the years ended December 31, 2021 and 2020, respectively.

Note 17. 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.

In 2021, 34% of total revenues was received from a bequest from one donor. In 2020, revenue from one donor did not exceed 10% of total revenues.

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.

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 18. Derivative Obligations

During 2021, Enterprises closed out all remaining derivative positions.

The change in fair value of the interest rate swaps is recognized as a realized gain which totaled $845,320 and an unrealized loss which totaled $998,177 for the years ended December 31, 2021, and 2020, respectively.

Note 19. 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.

Note 19. Liquidity and Availability (Continued)

The following financial assets are available to meet general expenditures:

	December 31	
	2021	2020
Cash and cash equivalents	$ 33,992,975	$ 35,319,660
Accounts receivable and other receivables, net	664,220	1,006,517
Contributions receivable, net	21,700,762	12,137,346
Notes receivable	230,721	412,515
Cash equivalent funds and securities	395,360,208	402,852,757
Inventory	702,878	445,272
	452,651,764	452,174,067
Less:		
Amounts not due within one year or subject to donor restriction	20,927,329	11,678,390
Amounts subject to donor restriction	340,026,602	300,001,708
Financial assets available to meet cash needs for general expenditures within one year	$ 91,697,833	$ 140,493,969

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 2021, the spending rate was 4%. A spendable amount estimated to be $9,310,000 will be made available for grantmaking from these endowments during 2022.

Note 20. Subsequent Events

Subsequent events have been evaluated through November 14, 2022, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

RSM US LLP

Independent Auditor's Report on the Supplementary Information

Audit Committee and the Board of Directors
San Antonio Area Foundation

We have audited the consolidated financial statements (collectively, the financial statements) of San Antonio Area Foundation (the Foundation) as of and for the years ended December 31, 2021 and 2021, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See page 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

San Antonio, Texas
November 14, 2022

San Antonio Area Foundation

Consolidating Statement of Financial Position
December 31, 2021

	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	$ 10,915,381	$ 22,808,220	$ 269,374	$ -	$ 33,992,975
Receivables:					
Accounts receivable and other receivables, net	55,201	609,019	-	-	664,220
Contributions, net	21,930,162	-	-	(229,400)	21,700,762
Notes receivable	-	-	230,721	-	230,721
Total receivables	21,985,363	609,019	230,721	(229,400)	22,595,703
Investments:					
Cash equivalent funds and securities	377,631,674	-	17,728,534	-	395,360,208
Limited liability companies and partnerships	7,195,191	17,572,001	-	-	24,767,192
Oil and gas interests	4,689,658	-	-	-	4,689,658
Real estate	357,500	-	-	-	357,500
Real estate, leasing and theater operations, net	-	327,811,397	-	-	327,811,397
Total investments	389,874,023	345,383,398	17,728,534	-	752,985,955
Prepaid expenses and other assets	567,101	4,975,452	9,889	-	5,552,442
Beneficial interest in trusts	203,706,576	-	1,711,690	-	205,418,266
Headquarters and equipment, net	877,210	-	-	-	877,210
Goodwill	-	74,543,320	-	-	74,543,320
Deferred tax asset	-	-	16,794,040		16,794,040
Collections (Note 8)	-	-	-	-	-
Total assets	$ 627,925,654	$ 448,319,409	$ 36,744,248	$ (229,400)	$ 1,112,759,911
Liabilities and Net Assets					
Liabilities:					
Accounts payable and other liabilities	$ 1,621,574	$ 13,682,901	$ 12,004	$ -	$ 15,316,479
Grants and scholarships payable, net	967,375	-	399,149	(229,400)	1,137,124
Income tax payable	147,647	-	750,434	-	898,081
Long-term debt	170,975	35,776,117	-	-	35,947,092
Charitable funds held for the benefit of other organizations	16,761,057	-	-	-	16,761,057
Total liabilities	19,668,628	49,459,018	1,161,587	(229,400)	70,059,833
Net assets:					
Without donor restrictions:					
Designated for reserve fund	9,408,137	-	-	-	9,408,137
Donor advised and other designated funds	218,563,412	-	-	-	218,563,412
Undesignated funds	8,146,475	-	-	-	8,146,475
Member’s equity in Santikos Enterprises, LLC	-	398,860,391	-	(398,860,391)	-
Total net assets without donor restrictions and member’s equity	236,118,024	398,860,391	-	(398,860,391)	236,118,024
With donor restrictions	372,139,002	-	35,582,661	398,860,391	806,582,054
Total net assets	608,257,026	398,860,391	35,582,661	-	1,042,700,078
Total liabilities and net assets	$ 627,925,654	$ 448,319,409	$ 36,744,248	$ (229,400)	$ 1,112,759,911

San Antonio Area Foundation

Consolidating Statement of Activities
Year Ended December 31, 2021

	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	$ 53,123,954	$ 119,680,970	$ 172,804,924	$ -	$ -	$ -	$ -	$ (1,273,993)	$ 171,530,931
Investment income, net	2,258,261	6,815,751	9,074,012	-	-	7,114,382	7,114,382	(6,967,984)	9,220,410
Net realized and unrealized gains on investments	16,115,859	16,262,054	32,377,913	-	-	42,677	42,677	-	32,420,590
Mineral interest revenue, net	18,959	526,336	545,295	-	-	-	-	-	545,295
Change in value of beneficial interest in trusts	8,498	11,291,412	11,299,910	-	-	(2,829)	(2,829)	-	11,297,081
Change in value of gift annuities	(114,713)	(9,526)	(124,239)	-	-	-	-	-	(124,239)
Program revenue	353,751	-	353,751	-	-	-	-	-	353,751
Other income	1,053,655	35	1,053,690	-	-	-	-	-	1,053,690
Transfers	1,154,929	-	1,154,929	-	-	-	-	(1,154,929)	-
Net assets released from restriction	12,280,480	(12,280,480)	-	-	507,886	(507,886)	-	-	-
	86,253,633	142,286,552	228,540,185	-	507,886	6,646,344	7,154,230	(9,396,906)	226,297,509
Enterprises:									
Theater box office, concessions and other theater revenue	-	-	-	58,952,049	-	-	58,952,049	-	58,952,049
Rental income	-	-	-	12,831,320	-	-	12,831,320	-	12,831,320
Interest income	-	-	-	713,469	-	-	713,469	-	713,469
Investment income, net	-	-	-	3,505,415	-	-	3,505,415	-	3,505,415
Other income	-	-	-	853,152	-	-	853,152	-	853,152
Grant income	-	-	-	17,243,674	-	-	17,243,674	-	17,243,674
Realized gain on interest rate swaps	-	-	-	845,320	-	-	845,320	-	845,320
Realized gain on sale of investments	-	-	-	6,823,860	-	-	6,823,860	-	6,823,860
	-	-	-	101,768,259	-	-	101,768,259	-	101,768,259
Total revenues and support	86,253,633	142,286,552	228,540,185	101,768,259	507,886	6,646,344	108,922,489	(9,396,906)	328,065,768

(Continued)

San Antonio Area Foundation

Consolidating Statement of Activities (Continued)
Year Ended December 31, 2021

	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	$ 41,956,388	$ -	$ 41,956,388	$ -	$ 2,613,407	$ -	$ 2,613,407	$ (1,273,993)	$ 43,295,802
Program services	5,696,703	-	5,696,703	-	-	-	-	-	5,696,703
Fundraising	546,514	-	546,514	-	-	-	-	-	546,514
General and administrative	5,909,748	-	5,909,748	-	1,325,992	-	1,325,992	(1,154,929)	6,080,811
Federal taxes (refund)	323,292	-	323,292	-	(3,431,513)	-	(3,431,513)	-	(3,108,221)
	54,432,645	-	54,432,645	-	507,886	-	507,886	(2,428,922)	52,511,609
Enterprises:									
Theater and real estate operations	-	-	-	72,949,595	-	-	72,949,595	-	72,949,595
General and administrative	-	-	-	5,995,328	-	-	5,995,328	-	5,995,328
Impairment charges	-	-	-	889,537	-	-	889,537	-	889,537
Income tax	-	-	-	239,771	-	-	239,771	-	239,771
	-	-	-	80,074,231	-	-	80,074,231	-	80,074,231
Total expenses	54,432,645	-	54,432,645	80,074,231	507,886	-	80,582,117	(2,428,922)	132,585,840
Change in net assets	31,820,988	142,286,552	174,107,540	21,694,028	-	6,646,344	28,340,372	(6,967,984)	195,479,928
Net assets at beginning of year	269,618,714	245,641,841	515,260,555	384,134,346	-	28,936,318	413,070,664	-	928,331,219
Changes to nets assets:									
Warm Springs	(65,321,678)	(15,789,391)	(81,111,069)	-	-	-	-	-	(81,111,069)
Contribution to the Foundation	-	-	-	(6,967,984)	-		(6,967,984)	6,967,984	-
Net assets at end of year	$ 236,118,024	$ 372,139,002	$ 608,257,026	$ 398,860,390	$ -	$ 35,582,662	$ 434,443,052	$ -	$ 1,042,700,078