

DRAFT

**ARIZONA GRANTMAKERS FORUM
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
DECEMBER 31, 2010**

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Independent Accountants' Review Report

The Board of Directors of
Arizona Grantmakers Forum
Phoenix, Arizona

We have reviewed the accompanying statement of financial position of Arizona Grantmakers Forum (a nonprofit organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

REPORT DATE, 2011

ARIZONA GRANTMAKERS FORUM
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

ASSETS

Current assets:	
Cash and cash equivalents	\$ 221,912
Investments	83,153
Security deposit	<u>2,375</u>
Total current assets	307,440
Property and equipment:	
Furniture and equipment	2,368
Less: accumulated depreciation	<u>(1,241)</u>
	<u>1,127</u>
Total assets	<u>\$ 308,567</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 5,524
Accrued payroll	5,969
Deferred membership dues	<u>8,125</u>
Total liabilities	19,618
Net assets, unrestricted	<u>288,949</u>
Total liabilities and net assets	<u>\$ 308,567</u>

See accompanying notes and accountants' report.

ARIZONA GRANTMAKERS FORUM

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2010

Revenue and support:	
Membership dues	\$ 126,588
Contributions	82,000
In-kind donations	23,675
Gain on investments	7,192
Program sponsorship	30,000
Program fees	17,501
Interest income	<u>2,705</u>
Total revenue and support	289,661
Expenses:	
Payroll	150,328
Fringe benefits and payroll taxes	12,975
Advertising	3,564
Dues and subscriptions	3,867
Conferences	917
Professional development	581
Telephone	2,359
Travel	3,356
Program related expenses	43,106
Repairs and maintenance	1,803
Rent	13,385
Professional services	13,703
Office supplies	1,918
Postage, printing and related	1,724
Insurance	818
Donations	10,010
Depreciation	338
Foundation research	2,918
Knowledge management system	2,818
Web expenses	2,196
Membership development	793
Miscellaneous	609
In-kind	<u>23,675</u>
Total expenses	<u>297,761</u>
Decrease in net assets	(8,100)
Net assets, beginning of year	<u>297,049</u>
Net assets, end of year	<u>\$ 288,949</u>

See accompanying notes and accountants' report.

ARIZONA GRANTMAKERS FORUM

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities:	
Decrease in net assets	\$ (8,100)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation	338
Gain on investments	(7,192)
Changes in:	
Accounts payable	3,925
Accrued payroll	5,969
Deferred membership dues	<u>8,125</u>
Net cash and cash equivalents provided by operating activities	3,065
Cash flows from investing activities:	
Purchase of investments	<u>(567)</u>
Net cash and cash equivalents used by investing activities	<u>(567)</u>
Net increase in cash and cash equivalents	2,498
Cash and cash equivalents, beginning of year	<u>219,414</u>
Cash and cash equivalents, end of year	<u>\$ 221,912</u>
Supplemental disclosure:	
Cash paid during the year for interest	<u>\$ 0</u>

See accompanying notes and accountants' report.

ARIZONA GRANTMAKERS FORUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arizona Grantmakers Forum is a nonprofit organization incorporated in 2001 in the State of Arizona. Arizona Grantmakers Forum is a regional association that provides educational resources, research and networking opportunities for grantmakers in Arizona. Member organizations make financial grants and provide other support to non-profit organizations throughout the state and represent the interests of private and public foundations, community foundations, corporations, government agencies and individuals with organized charitable gift programs.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic of *Not-for-Profit Entities*. Arizona Grantmakers Forum is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Arizona Grantmakers Forum did not have any temporarily or permanently restricted net assets at December 31, 2010.

Use of Estimates: In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Arizona Grantmakers Forum considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment: Arizona Grantmakers Forum capitalizes all acquisitions of property and equipment in excess of \$1,000. Property and equipment is recorded at cost, or at estimated value at the date of gift if donated. The cost or value is allocated to current and future periods through depreciation.

Depreciation is computed using the straight-line method based on estimated economic lives of the assets as follows:

Furniture and office equipment	5 or 7 years
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Income Taxes: Arizona Grantmakers Forum is exempt from income tax under Internal Revenue Code Section 501(c)(3). However, a Form 990, return of organization exempt from income tax, is required to be filed each year.

ARIZONA GRANTMAKERS FORUM
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In-Kind Contributions/Expenses: Donated goods and services are recorded at fair value at the date of contribution, and shown as revenues and expenses in the financial statements.

Advertising Costs: Arizona Grantmakers Forum expenses advertising costs during the period in which the costs are incurred.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Arizona Grantmakers Forum maintains cash balances with various financial institutions. As of December 31, 2010, Arizona Grantmakers Forum's deposits were fully insured. Arizona Grantmakers Forum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 3 - INVESTMENTS

Investments consisted of one account on deposit with the Arizona Community Foundation in its long-term pool. The long-term pool consists of 35% to 70% equity securities, 10% to 45% fixed income securities and up to 30% opportunistic investments. As of December 31, 2010, Arizona Grantmakers Forum deposits in the Arizona Community Foundation's long-term investment pool totaled \$83,153.

NOTE 4 - FUNCTIONAL EXPENSE CLASSIFICATION

The following is a summary of Arizona Grantmakers Forum's expenses by function for the year ended December 31, 2010:

Providing for grantmakers in Arizona	\$ 226,961
General and administrative	54,469
Fundraising	<u>16,331</u>
Total	<u>\$ 297,761</u>

NOTE 5 - SUBSEQUENT EVENTS

Arizona Grantmakers Forum has evaluated subsequent events through REPORT DATE, 2011, the date which the financial statements were available to be issued, and has concluded that no events have occurred since December 31, 2010 that would require an adjustment to or disclosure in the financial statements.