



Melissa Manriquez
Deputy Clerk

Pima County Clerk of the Board

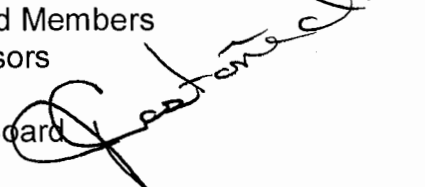
Julie Castañeda

Administration Division
130 W. Congress, 5th Floor
Tucson, AZ 85701
Phone: (520) 724-8449 • Fax: (520) 222-0448

Management of Information & Records Division
1640 East Benson Highway
Tucson, Arizona 85714
Phone: (520) 351-8454 • Fax: (520) 791-6666

MEMORANDUM

TO: Honorable Chairman and Board Members
Pima County Board of Supervisors

FROM: Julie Castañeda, Clerk of the Board 

DATE: August 6, 2019

RE: Petition for Relief – Southern Arizona Association for the Visually Impaired (SAAVI)

Pursuant to A.R.S. §42-11104(G) et seq. (Exemption for educational and library property), Southern Arizona Association for the Visually Impaired (SAAVI), 3767 E. Grant Road (Parcel No. 111-08-1740 and Personal Property Account No. 0155383) and 4002 E. Grant Road (Parcel No. 122-08-043A), filed a petition on June 25, 2019, for relief of their 2018 Real and Personal Property Taxes as follows:

<u>Parcel No.</u>	<u>Year</u>	<u>Taxes Due</u>	<u>Interest/Fees/Penalties</u>	<u>Total*</u>
122-08-043A-1	2018	\$ 6,702.33	\$ 804.28	\$ 7,506.61
122-08-043A-2	2018	\$ 6,702.33	\$ 268.09	\$ 6,970.42
111-08-1740-1	2018	\$14,540.06	\$1,744.81	\$16,284.87
111-08-1740-2	2018	\$14,540.05	\$ 581.60	\$15,121.65
Total		\$42,484.77	\$3,398.78	\$45,883.55

<u>Personal Property No.</u>	<u>Year</u>	<u>Taxes due</u>	<u>Interest</u>	<u>Total*</u>
0155383-1	2018	\$219.55	\$26.35	\$245.90
0155383-2	2018	\$219.55	\$ 8.78	\$228.33
Total		\$439.10	\$35.13	\$474.23

Please be advised that the Assessor's review of this exemption indicates that the property is not a charter school. It also indicates that the organization, after several attempts by the Assessor's Office, failed to comply.

Re: Petition for Relief – Southern Arizona Association for the Visually Impaired (SAAVI)
August 6, 2019
Page 2

The Assessor's Office also indicated that SAAVI has not filed for exemption for 2019.

On June 14, 2019, the Clerk of the Board's Office received SAAVI Petition for Redemption of Property Tax Exemption Waivers pertaining to Tax Parcel Nos. 111-08-1740 and 122-08-043A, for tax year 2019. Those petitions were approved at the Board of Supervisors Meeting of July 2, 2019.

*Totals as of July 30, 2019.

/jc

Attachments

- Notice of Hearing
- Treasurer's Tax Reports
- Assessor's Review Form
- Academy Del Sol's submission



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July 15, 2019

Southern Arizona Association for the Visually Impaired
Attn: Michael Gordon, Chief Executive Officer
3767 E. Grant Road
Tucson, Arizona 85716

RE: Petition for Relief of Taxes – Parcel Nos.: 111-08-1740 and 122-08-043A, and
Personal Property No. 0155383

Dear Mr. Gordon:

Please be advised that your Petition for Relief of Taxes for tax years 2018 has been scheduled before the Pima County Board of Supervisors on Tuesday, August 6, 2019, at 9:00 a.m., or thereafter, at the following location:

Pima County Administration Building
Board of Supervisors Hearing Room
130 West Congress, 1st Floor
Tucson, AZ 85701

If you have any questions regarding this hearing, please contact this office at 724-8449.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Castañeda", is written over a horizontal line.

Julie Castañeda
Clerk of the Board

/jc



PIMA COUNTY TREASURER'S OFFICE

Beth Ford, CPA
Pima County Treasurer

240 North Stone Avenue
Tucson AZ, 85701-1199
(520) 724-8341

ACCOUNT BALANCE

SOUTHERN AZ ASSN FOR THE VISUALLY IMPAIRED
4002 E GRANT RD
TUCSON AZ 85712-2509

ACCOUNT: 12208043A
PROPERTY TYPE: Real Estate
PROPERTY LOCATION: 4002 E GRANT RD
LEGAL DESC: COLUMBUS LOT 7 EXC W10' & E10' BLK 2

Account Balance as of July 2, 2019

Tax Year	Cert No	Interest Date	Interest Percent	Amount	Interest Due	Fees Due	Penalties Due	Total Due
2018 - 1		11/2/2018	16.0	6,702.33	804.28	0.00	0.00	7,506.61
2018 - 2		5/2/2019	16.0	6,702.33	268.09	0.00	0.00	6,970.42
Totals				\$13,404.66	\$1,072.37	\$0.00	\$0.00	\$14,477.03

If you have any questions about the items on this statement, please contact our offices.



PIMA COUNTY TREASURER'S OFFICE

Beth Ford, CPA
Pima County Treasurer

240 North Stone Avenue
Tucson AZ, 85701-1199
(520) 724-8341

ACCOUNT BALANCE

TUCSON ASSOCIATION FOR THE BLIND
+ VISUALLY IMPAIRED
3767 E GRANT RD
TUCSON AZ 85716

ACCOUNT: 18011155383
PROPERTY TYPE: Mobile Home
PROPERTY LOCATION: 3767 E GRANT
LEGAL DESC: R12153660A+B+C

Account Balance as of July 2, 2019

Tax Year	Cert No	Interest Date	Interest Percent	Amount	Interest Due	Fees Due	Penalties Due	Total Due
2018 - 1		11/2/2018	16.0	219.55	26.35	0.00	0.00	245.90
2018 - 2		5/2/2019	16.0	219.55	8.78	0.00	0.00	228.33
Totals				\$439.10	\$35.13	\$0.00	\$0.00	\$474.23

If you have any questions about the items on this statement, please contact our offices.



PIMA COUNTY TREASURER'S OFFICE

Beth Ford, CPA
Pima County Treasurer

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ACCOUNT BALANCE

TUCSON ASSN FOR THE BLIND
3767 E GRANT RD
TUCSON AZ 85716

ACCOUNT: 111081740
PROPERTY TYPE: Real Estate
PROPERTY LOCATION: 3767 E GRANT RD
LEGAL DESC: CATALINA FARMS ANNEX E2 LOT 3 EXC E 58.7' S150'
& EXC S10' BLK 1

Account Balance as of July 2, 2019

Tax Year	Cert No	Interest Date	Interest Percent	Amount	Interest Due	Fees Due	Penalties Due	Total Due
2018 - 1		11/2/2018	16.0	14,540.06	1,744.81	0.00	0.00	16,284.87
2018 - 2		5/2/2019	16.0	14,540.05	581.60	0.00	0.00	15,121.65
Totals				\$29,080.11	\$2,326.41	\$0.00	\$0.00	\$31,406.52

If you have any questions about the items on this statement, please contact our offices.



Melissa Manriquez
Deputy Clerk

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Petition to the Board of Supervisors - Review Form

Pursuant to ☒ A.R.S. §42-11104(G) (educational/library property) or
☐ A.R.S. §42-11109(E) (religious property)

Taxpayer Southern Arizona Association for the Visually Impaired (SAVI)

For tax year(s) 2018 - Parcel # 111-08-1740 - 3767 E. Grant Road

- 1) Did the organization file an affidavit as required by A.R.S. §42-11153?
☐ Yes ☒ No
- 2) Was the affidavit filed on or before March 1 of the tax year as required by A.R.S. §42-11153?
☐ Yes ☒ No
- 3) If the affidavit had been filed timely, would the Assessor have granted the exemption?
☒ Yes ☐ No
- 4) If the answer to Number 3 is "No", why was the exemption denied?
☐ The required ownership of the property was not in effect during the time period required by statute.
☐ The property was not being used for the exempt purpose during the time period required by statute.
☐ The requesting church, educational or library property did not furnish the required documents requested by the Assessor at the time of application per A.R.S. §42-11152(3)&(B)
☒ Other:
Property is not a charter school.

Organization was contacted multiple times in 2018 regarding exemption & failed to comply.

Organization has not filed for 2019.

Completed by: Maria L Acedo Date: Jun 28, 2019

c: Honorable Bill Staples, Pima County Assessor



Melissa Manriquez
Deputy Clerk

Pima County Clerk of the Board

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Pursuant to ☒ A.R.S. §42-11104(G) (educational/library property) or
☐ A.R.S. §42-11109(E) (religious property)

Taxpayer Southern Arizona Association for the Visually Impaired (SAVI)

For tax year(s) 2018 - Personal Property Account No. 0155383

- 1) Did the organization file an affidavit as required by A.R.S. §42-11153?
☐ Yes ☒ No
- 2) Was the affidavit filed on or before March 1 of the tax year as required by A.R.S. §42-11153?
☐ Yes ☒ No
- 3) If the affidavit had been filed timely, would the Assessor have granted the exemption?
☒ Yes ☐ No
- 4) If the answer to Number 3 is "No", why was the exemption denied?
☐ The required ownership of the property was not in effect during the time period required by statute.
☐ The property was not being used for the exempt purpose during the time period required by statute.
☐ The requesting church, educational or library property did not furnish the required documents requested by the Assessor at the time of application per A.R.S. §42-11152(3)&(B)
☒ Other:
Property is not a charter school.

Organization was contacted multiple times in 2018 regarding exemption & failed to comply.

Organization has not filed for 2019.

Completed by: Maria L. Acedo Date: Jun 28, 2019

c: Honorable Bill Staples, Pima County Assessor



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Petition to the Board of Supervisors - Review Form

Pursuant to ☒ A.R.S. §42-11104(G) (educational/library property) or
☐ A.R.S. §42-11109(E) (religious property)

Taxpayer Southern Arizona Association for the Visually Impaired (SAVI)

For tax year(s) 2018 - Parcel # 122-08-043A - 4002 E. Grant Road

- 1) Did the organization file an affidavit as required by A.R.S. §42-11153?
☐ Yes ☒ No
- 2) Was the affidavit filed on or before March 1 of the tax year as required by A.R.S. §42-11153?
☐ Yes ☒ No
- 3) If the affidavit had been filed timely, would the Assessor have granted the exemption?
☒ Yes ☐ No
- 4) If the answer to Number 3 is "No", why was the exemption denied?
☐ The required ownership of the property was not in effect during the time period required by statute.
☐ The property was not being used for the exempt purpose during the time period required by statute.
☐ The requesting church, educational or library property did not furnish the required documents requested by the Assessor at the time of application per A.R.S. §42-11152(3)&(B)
☒ Other:
Property is not a charter school.

Organization was contacted multiple times in 2018 regarding exemption & failed to comply.

Organization has not filed for 2019.

Completed by: Maria L. Acedo Date: Jun 28, 2019

c: Honorable Bill Staples, Pima County Assessor

NON-PROFIT AND RELIGIOUS ORGANIZATIONS

Response to Property Tax Information and Questionnaire Form

Re: 3767 East Grant Road, Tucson, Arizona 85716

Parcel ID 111081740

June 18, 2019

I.R.S. Exemption Letter:	See Attached
By-Laws:	See Attached
Articles of Incorporation:	See Attached
Financial Report:	See Attached

Letter of Specific Intent:

To whom it may concern,

It is the intent of (S.A.A.V.I.) Southern Arizona Association for the Visually Impaired to seek a waiver for personal and property taxes for the year 2018 based on our 501 (c)(3) non-profit status as an educational, instructional and training facility for the visually impaired.

The subject property is located at 3767 East Grant Road in Tucson, Arizona which was acquired on September 25, 1969 for the purpose of providing Blind Services to those who are visually impaired. Blind services include, but are not limited to, instructional and training classes (i.e.: braille and assisted technology), high school equivalency assistance, post-secondary school academics and job development, independent living skills for the blind, rehab therapy, English as a second language classes and health & wellness for all ages. Comprehensive Services are offered year-round and includes Summer Camp for Children from kindergarten through 8th grade. This location also is home to our Administrative staff, maintenance staff, and our Transportation staff which utilizes both SAAVI owned vehicles and 5310 match grant vehicles.

Background:

SAAVI has always been and Educational/Instructional Agency since its inception. Over the years, zoning codes and Building Codes have recognized SAAVI as such and have approved plans for improvements based on the several uses, which included being defined as an educational facility (Refer to attached 24x36 drawings dated 1997).

In 1995, the City of Tucson revised the zoning codes and zoning designations. The subject property at 3767 East Grant Road was previously divided into two zones; B-2A and R-4 (Refer to 11X17 partial Site Plan dated July 7, 1996). Please note that we have hand written the new zoning designations which are current today. Zoning designation B-2A has been changed to C-2 and zoning designation R-4 has been revised to O-3 (Refer to Attachment "A"). This zoning change has put SAAVI in non-compliance with the current zoning code as an educational facility for any future improvements.

On January 18, 2016 (Refer to Attachment "B"), SAAVI received a letter from Tierra Right Of Way who was on contract with the City of Tucson to provide real estate related services relating to the Grant Road Widening Project. SAAVI was notified that our property at 4002 East Grant was being taken by eminent domain as a full acquisition and our property at 3767 was to be a partial acquisition. With this, SAAVI was interested in consolidating its two locations to one location at the 3767 East Grant location. We soon learned that there would be difficulties due to the new zoning designations and our no longer being in compliance as stated above because we were considered an Educational/Instructional Facility.

JUN 25 19 03 57 PM CLK OF BD

ASB

To resolve this issue of non-compliance, we met with the City of Tucson Planning and Zoning Department and Tierra Right of Way on two occasions to discuss the zoning issues associate with our property (Refer to meeting Minutes dated June 22, 2016 and December 5, 2017 which is marked Attachment "C" and "D" respectively). During our meeting with The City of Tucson on June 22, 2016, Patricia Gayland, COT Zoning Administrator, classified SAAVI as an Educational facility (Page 1, paragraph 4) and considered SAAVI in non-compliance.

On December 5, 2017, SAAVI met with the City of Tucson for a second time. During this meeting, Mr. Beal from the COT Zoning Department was present to discuss how to move forward due to our non-compliance. It was at this meeting that the COT suggested that SAAVI submits to the City of Tucson Board of Adjustment for a variance to bring SAAVI back in compliance with current Zoning Codes. If and when a variance is granted, they informed SAAVI that they would also have to go through the process of preparing and submitting a Development Plan to the City of Tucson (refer to Attachment "D"). At that time SAAVI was not in the financial position, nor was there enough time to move forward with the variance and Development Plan processes.

On January 16, 2019, SAAVI received yet another confirmation that we are in non-compliance as an Educational/Instructional Facility in an email from Myrlene Francis of Tierra right of Way (Refer to Attachment "E"). In Myrlene's email, she outlines the costs and time frame in the event that SAAVI wishes to submit to the Board of Adjustment to request a variance to bring SAAVI, an Educational/Instructional Agency into compliance at 3767 east Grant Road. Myrlene also suggested three professional rezoning consultants whom we could interview to prepare the proper required documents for both the BOA variance submittal and Development Plan Submittal. Since then, our research has indicated that the property at 3767 East Grant Road is more than likely not adequate to be able to expand the facilities as needed.

We believe that the background information that we are providing clearly indicates that we have been, and will continue to be an educational/instructional facility, and, that we are eligible for a tax waiver as a 501 (c)(3) Educational Agency providing services at both 4002 East Grant Road and at 3767 East Grant Road.

On property, SAAVI maintains and houses the following items:
Furniture, furnishings, computer equipment and software, office equipment, kitchen, cooking tools and supplies, assisted technology devices, braille machines, and assorted teaching tools for the blind. SAAVI provides storage facilities for the Lions Club who collects and distributes eye glasses around the world. On site are two modular units. One is utilized for our Developmentally Disabled Blind Day Program while the second serves as additional classrooms and offices. All maintenance equipment and tools are kept on site. SAAVI currently maintains 11 vehicles, including ADA equipped vehicles to provide transportation for our staff and clients.

This location is not used for religious worship. If you have any questions, please do not hesitate to contact me. Thank you for your time and consideration.

Sincerely,



Michael Gordon - Chief Executive Officer
Southern Arizona Association for the Visually Impaired
3767 East Grant Road
Tucson, Arizona 85716
(520) 795-1331 extension 222

NON-PROFIT AND RELIGIOUS ORGANIZATIONS
Property Tax Information and Questionnaire form

QUESTIONNAIRE FOR PROPERTY TAX EXEMPTION
ALL QUESTIONS MUST BE ANSWERED TO BE CONSIDERED FOR EXEMPTION

1. Name & Address of Organization:
SAAVI SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
3767 EAST GRANT ROAD
TULSON, ARIZONA 85714
2. Under which section of Title 42, Chapter 11, Article 3 does your organization claim exemption? 42-11104 A
(Arizona Revised Statutes can be found at: www.azleg.gov)
3. Are there any type of business activities such as snack bars, cafés or restaurants operating on the premises? Yes ☐ No ☒
4. Is the organization exempt from Federal and/or State income taxes?
Yes ☒ No ☐
5. Is the Organization a 501 (C)? Yes ☒ which type 501(C)(3) No ☐
5. Give day, month, and year deed/title was acquired by applicant.
Day 25 Month 9 Year 1969
6. Claimant is: Owner/Operator ☒ Owner only ☐ Operator only ☐
7. Exemption is claimed on:
All land ☒ Buildings & Improvements ☒ Personal Property ☒
8. Is any portion of the property used as a place of residence? Yes ☐ No ☒
If yes, state number of individuals occupying the premises and the duration of the occupancy. _____
9. Does applicant receive any income? (other than free will offerings in connection with this property) Yes ☐ No ☒
10. Is any portion of the property being leased or rented to a non-profit and/or a for-profit organization(s)? Yes ☐ No ☒. If yes, please list the name(s) of the organization(s) _____

11. List date of occupancy: Month 5 Day 11 Year 1972
12 20 1975
8 18 1977

JUN 25 1990 0357 PC CLK OF BD

ACS



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752258385
Dec. 06, 2017 LTR 4168C 0
86-6056057 000000 00

00016504

BODC: TE

SOUTHERN ARIZONA ASSOCIATION
FOR THE VISUALLY IMPAIRED
% ALAN CLARK
3767 E GRANT RD
TUCSON AZ 85716-2935



023794

Employer ID Number: 86-6056057
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Nov. 27, 2017, regarding your tax-exempt status.

We issued you a determination letter in July of 1966, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

**AMENDED BYLAWS FOR THE
SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED**

1. NAME, ADDRESS, SERVICE AREA, YEAR, SEAL.

- 1.1 The name of this corporation shall be:
THE SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED.
hereinafter referred to as "the association."
- 1.2 The address of the association shall be:
3767 East Grant Road, Tucson AZ 85716
- 1.3 The area served by the association shall be but not limited to:
Southeastern Arizona and Pima County
- 1.4 The fiscal year of the association shall be From July 1 to June 30.

2. STATEMENT OF PURPOSE AND MISSION STATEMENT

2.1 STATEMENT OF PURPOSE

The Southern Arizona Association for the Visually Impaired exists to enhance independence and quality of life for individuals with vision loss.

2.2 MISSION STATEMENT

The Southern Arizona Association for the Visually Impaired is committed to providing dynamic and progressive programs and services to meet the rehabilitation and social needs of individuals with vision loss, promoting individuals to become active participants in determining their success, and raising public awareness through community involvement and establishment of partnerships with others.

3. BOARD OF DIRECTORS

- 3.1 The governance of the corporation, the direction and management of its work, and the control of its property shall be vested in a board of directors. Board members shall receive no compensation for their services but may receive reimbursement for extraordinary expenses incurred in the carrying out of their responsibilities.

3.1.1 DUTIES AND POWERS

- A) The board of directors shall be responsible for determining policy establishing or reaffirming or revising the purpose and mission of the association and setting goals and priorities in the matter of the business of the association.
- B) The board shall be responsible for raising funds for the operation of the association's programs as well as assuring that sufficient funds become available to achieve the purpose of the association.
- C) The board shall be responsible for reviewing and accepting the annual budget and any subsequent revision to the budget.

- D) The Executive Committee shall annually evaluate the performance of the Executive Director using as primary criteria the goals and policies set by the Board. The President shall review the evaluation with the Executive Director, and afterwards review it with Board members at their next regular meeting.
- E) The board shall require reports from the various committees and officers and be finally accountable for the proper and efficient execution of each committee or office.

3.2 COMPOSITION OF THE BOARD OF DIRECTORS

- 3.2.1 The board of directors shall as determined by the board from time to time, consist of ten (10) to twenty (20) directly elected members together with the president, the vice president, the secretary and the treasurer who shall be elected by the board of directors as provided for in Articles 3.3.1, 3.7.2, and 3.8.1 and who shall assume their seats on the board by virtue of their respective offices.
- 3.2.2 Board members and the four officers shall be elected by the incumbent members of the board of directors.
- 3.2.3 Neither employees nor immediate family members of employees nor spouses of sitting board members are eligible for membership on the association's board of directors.

3.3 BOARD MEMBER TERMS OF OFFICE

- 3.3.1 At the regular meeting of the board on the first meeting in the calendar year, those nominated to the Board shall be elected and re-elected. New officers shall be elected and assume their offices. At this same meeting, the board of directors shall act upon the president's committee assignments other than the nominating committee.
- 3.3.2 The president, the vice president, the secretary and the treasurer shall be subject to term of office limitations as provided for in Articles 4.2.1, 4.3.1, and 4.3.2.

3.4 MEETINGS OF THE BOARD OF DIRECTORS

- 3.4.1 Regular meetings of the board of directors shall be held every other month on the last Monday of January, March, May, July, September, and November. The board may provide by resolution the time and place for the holding of additional regular meetings. If the day of a regular meeting falls on a holiday or for some other valid reason the meeting cannot be held, the meeting shall be held on an alternate date set by the president. Notice of regular meetings of the board of directors shall be mailed to each director no later than ten days prior to the day of the meeting.

The executive director of the association shall present the proposed budget and the operational plan for the upcoming year as well as the updated strategic plan for the board's review and acceptance at the regular meeting of the board in August.

July. A preliminary plan and budget shall be presented to the board for their review in the August board meeting.

- 3.4.2 Special meetings of the board of directors may be called by the president or by any three board members. All board members shall be given at least twenty-four (24) hours notice of the special meeting. The notice shall set forth the purpose and/or agenda for the special meeting and the business transacted at the special meeting shall be confined to that which is included in the notice and/or agenda for the meeting, unless every member of the board of directors is present at the time the unspecified item of business is considered and acted upon.

3.5 ORDER OF CHAIRING MEETINGS

- 3.5.1 In the absence of the president or vice president at any meeting of the board of directors or the executive committee, the secretary shall chair the meeting. Should all four officers of the board be absent from the same meeting, the board or the executive committee shall select a temporary chairperson from among its membership to chair that meeting.

3.6 QUORUMS

- 3.6.1 A majority of the members in person shall constitute a quorum for the transaction of business at any regular or special meeting of the board of directors.

3.7 ATTENDANCE, PARTICIPATION AND ORIENTATION REQUIREMENTS

- 3.7.1 Any member of the board who fails for any reason to attend three (3) regular meetings of the board of directors held within a single program year shall be deemed to have resigned from the board of directors. However, the board can use its discretion to excuse such absences where unavoidable and personal circumstances exist.
- 3.7.2 Should illness place a member of the board of directors in default under paragraph 3.7.1 of these bylaws, the board of directors may use its discretion in excusing the excess absences. A board member experiencing prolonged illness shall be expected to resign from the board of directors, but shall be eligible for re-election when his or her circumstances permit full participation once again.
- 3.7.3 To the extent that the number of standing and ad hoc committees permit, all members of the board of directors are expected to participate actively in the work of the board by serving actively on at least one committee that regularly contributes to the work of the board. Any board member who is continuously unable or unwilling to meet this requirement shall be expected to resign from the board.
- 3.7.4 All newly elected members of the board of directors as well as any new members of board committees who are not members of the board of directors shall receive a thorough orientation between the meeting at which they were elected or appointed and the date of the next regular board or committee meeting as the case may be. The orientation will be conducted for new board members by the president

assisted by the executive director. The appropriate committee chairperson shall conduct orientation of new non-board committee members.

3.8 VACANCIES

3.8.1 Any vacancy among the board of directors may be filled by the board of directors for the unexpired term remaining in accordance with the provisions stated in 3.3.1.

3.9 REMOVAL

3.9.1 Except as otherwise provided by statute, any member of the board of directors may be removed for cause at any time by a resolution passed by a two thirds majority of the duly elected membership of the board of directors then in office provided that such board member, prior to his or her removal, shall have received a copy of the charges, delivered personally or by mail at his or her address appearing upon the records of the association at least ten (10) days prior to the adoption of such resolution. An opportunity to be heard on such charges at a meeting of the board of directors called for such purpose shall also be provided.

3.9.2 Any vacancy resulting from the removal of a member of the board of directors for cause shall be filled as provided for in paragraph 3.8.1 of this article.

3.10 EXECUTIVE COMMITTEE

3.10.1 There shall be an executive committee consisting of the president, the vice president, the secretary and the treasurer. The president shall chair meetings of the executive committee.

3.10.2 While the executive committee has the power to act for the board of directors between board meetings, the executive committee shall limit its actions to bona fide emergencies in which there is insufficient time to call a special meeting of the board of directors. The executive committee may not alter the board accepted budget or strategic plan. Neither may it hire, determine the compensation of, nor terminate the services of, the executive director of the association.

3.10.3 The executive committee may meet in person or via a telephone conference call.

3.10.4 A majority of the executive committee then in office shall constitute a quorum for the transaction of business at any meeting of the executive committee.

3.10.5 The executive committee shall report on its meetings to the full board following any meeting of the executive committee at the next regular or special meeting of the full board of directors.

4. OFFICERS OF THE ASSOCIATION

4.1 The officers of the association shall be a president, a vice president, a secretary and a treasurer.

4.2 ELECTION OF OFFICERS

4.2.1 The officers shall be elected by the board of directors as provided for in Articles 3.2.1 and 5.4.1.

4.3 TERMS OF OFFICE FOR OFFICERS

4.3.1 Officers shall be elected for one year terms and shall be eligible to serve two additional one year terms before becoming ineligible to serve in the office again. They shall serve until their successors are duly elected and qualified. A term of less than six months shall be considered as a partial term and shall not be counted in determining eligibility for re-election.

4.3.2 Once one has served as president for three one year terms that person is no longer eligible for election to any office. There shall be no tradition of officer succession for this corporation.

4.4 DUTIES OF OFFICERS

4.4.1 The duties of the officers shall be those that normally pertain to each office.

4.5 VACANCIES

4.5.1 Any vacancy which develops among the officers shall be filled for the remainder of the unexpired term by the board of directors.

4.6 REMOVAL

4.6.1 Any officer may be removed by the board of directors with or without cause. A two thirds majority vote of the board then in office in favor of such removal is required. The resulting vacancy shall be filled as specified in article 3.8.1.

4.7 RE-ELECTION TO THE DIRECTLY ELECTED BOARD

4.7.1 Upon leaving office, former officers who have served as an officer for at least one program year are eligible to be elected once again as members of the directly elected portion of the board of directors for one and possibly two terms of three years each.

5. COMMITTEES

5.1 The board of directors shall have the authority to establish whatever committees as in its judgment may become necessary.

- 5.2 The president shall appoint all committee chairs and committee members, with the approval of the full board of directors. If possible, the president shall present his or her committee appointments, other than the nominating committee, to the full board for its approval at the annual meeting of the board of directors. If not possible, then this shall be done at the first regular or special meeting following the annual meeting.
- 5.3 The chairpersons of each standing and ad hoc committee shall be current members of the board of directors. Non-board members may serve as members of all board committees other than the executive and nominating committees.
- 5.4 The board of directors shall have the following standing committees:
- 5.4.1 The nominating committee and its chair, consisting of three members of the board of directors, shall be appointed President of the board and approved by the full board of directors. The committee is charged with nominating a slate of officer candidates as well as nominees for seats to be filled on the board of directors.
- 5.4.2 The strategic planning committee and its chair shall be appointed by the president and approved by the full board of directors and shall include the executive director among its membership. Other staff members may be appointed as members of this committee at the discretion of the board of directors. This committee is charged with conducting a mid program year review of the progress of the implementation of the strategic plan and to make whatever recommendations to the board are appropriate at that time. It is also charged with conducting a thorough prior to year end review of the progress of the strategic plan during the tenth month of the program year and then to make whatever recommendations to the board are appropriate to update the plan for the next full planning period.
- 5.4.3 The development committee and its chair shall be appointed by the president. This committee is charged with developing plans for raising funds for the association including but not limited to such activities as capital fund drives, annual giving programs, planned giving and any other fund raising activity which involves raising monies from the general public, corporations and foundations. The committee shall provide the leadership in implementing such fund raising activities which shall involve the entire board of directors and appropriate staff persons. Either the executive director or a director of development shall provide staff support to this committee.
- 5.4.4 The Treasurer shall serve as the chairperson of the Finance Committee, which shall have at least four other members. The Finance Committee shall be responsible for reporting and/or making recommendations on all financial matters to the Board for their review and action. These shall include, but are not limited to, an annual budget, financial status including investments, and an annual independent financial audit of the corporation.

5.5 LIMITATIONS UPON COMMITTEE ACTIONS

- 5.5.1 Unless specifically instructed to the contrary by the board or these bylaws, standing and ad hoc committees are limited in their powers to formulating recommendations for final decisions by the board of directors.

5.6 COMMITTEE QUORUMS

- 5.6.1 Quorums for meetings of all committees shall, unless otherwise stated in these bylaws, be a simple majority of the committee's current membership.

6. CONFLICT OF INTEREST

- 6.1 Whenever a matter comes for consideration before the board of directors in which an officer or director of the association has a financial or other personally beneficial interest or any other association with which an officer or director is affiliated has a financial or other beneficial interest, the interested officer or director shall disclose to the board of directors the relationship or interest in the matter being discussed and shall abstain from voting on such matter. However, the interested director may be counted in determining the presence of a quorum at such meeting where the matter is discussed. The resultant decision made by the board of directors must be fair in every respect to the association.

7. INDEMNIFICATION OF DIRECTORS AND OFFICERS

- 7.1 The corporation shall indemnify any and all of its directors, officers, former directors and former officers, to the full extent permitted under applicable law, against all amounts incurred by them and each of them; including but not limited to expenses, legal fees, costs, judgments, fines and amounts paid in settlement which may be actually and reasonably incurred, rendered or levied in any threatened, pending or completed action, suit or proceeding brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of his duties as director or officer of the corporation. Whenever any such director or officer shall report to the president of the Board of Directors that he has incurred or may incur such amounts, the corporation shall, within a reasonable time thereafter, determine in a manner consistent with applicable law whether, in regard to the matter involved, such person acted or failed to act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful. If the corporation so determines that such person acted or failed to act in such a manner with regard to the matter involved, indemnification shall be mandatory and shall be automatically extended as specified herein; provided, however, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall not offer the corporation the opportunity, at its own expense and through counsel of its own choosing, to defend him in the action, suit or proceeding. Nothing contained herein is intended to limit any right of indemnification or other rights otherwise provided by Arizona law.

8. AMENDMENTS

- 8.1 Amendments to the Articles of Incorporation may be proposed by any board member at any board meeting and if approved by a majority of the board members will be presented

to the members of the association at an annual or at a special meeting called for this purpose. A quorum being present at this meeting, an affirmative vote of two thirds of those members present and voting is required to adopt the amendment. The adopted amendment will be filed with the Arizona Corporation Commission and immediately incorporated in its proper place in the Articles of Incorporation master document.

- 8.2 An amendment to these bylaws may be proposed at any regular meeting of the board of directors. If there is general agreement that the proposed amendment has merit, it is to be immediately put in final form and mailed to the full board of directors. At the next regular meeting of the board, a quorum being present, the board will vote upon the amendment. Approval of the amendment shall require the affirmative vote of at least 51% of the full board currently in office. All such bylaw amendments shall be immediately incorporated into the master bylaws document in their proper locations.

9. DATE OF ADOPTION AND AMENDMENT LOG

9.1 These bylaws were adopted July 21, 1997

9.2 These bylaws were last amended on November 18, 2002.

9.3 These bylaws were last amended on March 22, 2010.

9.4 These bylaws were last amended on August 26, 2013.

9.5 These bylaws were last amended on February 24, 2014.

- end bylaws -

Approved as amended by:

original signed copy on file _____
John Hart, Secretary of the Board Date

THIRD AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED

1. The name of the corporation is the Southern Arizona Association for the Visually Impaired.
2. The Third Amended and Restated Articles of Incorporation are attached hereto as Exhibit A.
3. It is hereby certified that the adoption of the Third Amended and Restated Articles of Incorporation required approval by the Board of Directors , which approval was given on March 22, 2010.

DATED this _____ day of _____, _____

Ray Mungaray, Board Chair

Date

EXHIBIT A

THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION OF SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED

We, the undersigned, associate ourselves together to form a non-profit private corporation under the laws of the State of Arizona and for that purpose adopt the following Articles of Incorporation.

ARTICLE I - CORPORATE NAME

The name of this Corporation shall be Southern Arizona Association for the Visually Impaired.

ARTICLE II - PLACE OF BUSINESS

The principal office and place of transacting the business of the Corporation shall be 3767 E. Grant Rd., Tucson, AZ 85716; however, its Board of Directors may meet for the transaction of business at such other places within or without the State of Arizona as the Directors may from time to time designate.

ARTICLE III - PURPOSE

The purpose for which this Corporation is organized is the transaction of any and all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time. Said Corporation is organized exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, including for such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code. To the extent that the following conforms to such charitable, scientific and educational purposes, the general nature of the business to be transacted by the Corporation is more specifically to provide rehabilitation programs with appropriate social and recreation activities in order to enhance the dignity and self-worth of blind or visually impaired persons by providing opportunities for them to reach optimum levels of functioning, to develop optimum social-skills and to reach optimum levels of independence; the purchase, lease, and possession of land and buildings for such purposes; and to raise money by any legal means to promote such activities. At all times the programs and activities of the Corporation shall be carried out in a non-discriminatory manner with due regard for the legal and human rights of the persons served. The foregoing enumeration of special powers shall not be deemed to limit or restrict the general powers of the Corporation and the enjoyment and exercise thereof, as conferred by the laws of the State of Arizona under which this Corporation is incorporated.

ARTICLE IV - INITIAL BUSINESS

The character of the business that the Corporation initially intends to conduct in this State is to take all such actions as may be appropriate to accomplish the purposes set forth above.

ARTICLE V - POWERS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

ARTICLE VI - MEMBERSHIP

The Corporation is not authorized to have members.

ARTICLE VII - LIQUIDATION

Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets shall be distributed to a non-profit fund, foundation, or corporation, which is organized and operated exclusively for the support of and promotion of visually impaired individuals as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, as the Board of Directors shall determine. Any assets not disposed of shall be disposed of by the Superior Court of the County in which the principal office of the Corporation is then located exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VIII - BOARD OF DIRECTORS

The affairs of the Corporation shall be conducted by a Board of Directors whose number and term shall be provided in the Bylaws of the Corporation. The Board of Directors, or any member thereof, may be removed at any time, as more fully described in the Bylaws of the Corporation. The names of the Board of Directors are updated from

year to year and kept on file with the Executive Director at 3767 E. Grant Rd., Tucson, AZ 85716. The Board of Directors shall serve as the directors until the next annual meeting of the Board of Directors, or until their successors are duly elected and qualified. Except as otherwise provided in these Articles of Incorporation, the Board of Directors, by a majority vote of those present at a duly-convened meeting, shall have the power to adopt, amend and rescind the Bylaws for the governing of the Corporation, to fill vacancies occurring in the Board of Directors, or in the offices of the Corporation, from any cause, and to designate such powers and duties for said officers as they may be prescribed.

ARTICLE IX - EXEMPTION OF PRIVATE PROPERTY

The incorporators, directors, officers, employees and agents of the Corporation and their property shall be forever exempt from liability or assessment for its debts, obligations or engagements.

ARTICLE X - INDEMNIFICATION

The Corporation may indemnify any person against liability and expenses, including without limitation, attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably suffered or incurred by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity, in all circumstances in which, and to the extent that, such indemnification is permitted by A.R.S. §§ 10-3851 and 10-3856, as such provisions may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code. Any indemnification hereunder shall be made by the Corporation only as authorized by the Board of Directors pursuant to A.R.S. § 10-3855, as it may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code.

ARTICLE XI - DIRECTOR LIABILITY

The personal liability of the directors to the Corporation for monetary damage for any action taken or any failure to take any action as a director is eliminated to the fullest extent permitted by A.R.S. § 10-3202(B)(1), as it may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code.

ARTICLE XII - STATUTORY AGENT

The name and address of the Statutory Agent is Michael R. Urman, DeConcini McDonald Yetwin & Lacy, P.C., 2525 E. Broadway Blvd., #200, Tucson, AZ 85716. The Board of Directors may, at their option, revoke such appointment and shall have the power to fill such vacancy.

ARTICLE XIII - AMENDMENTS

These Articles of Incorporation may be amended from time to time only by a majority vote of the Board of Directors of the Corporation present, in accordance with procedures set forth in the By-Laws of the Corporation, at a duly convened meeting called for that purpose, if a quorum is present and a notice is given if so specified in the By-Laws of the Corporation.

ARTICLE XIV - INDEBTEDNESS

No indebtedness or liability shall be incurred unless authorized by the Board of Directors and in no event shall the total indebtedness or liability, direct or contingent, exceed the sum of five hundred thousand (\$500,000), unless approved by a majority of the Board of Directors then serving at a duly convened meeting.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED

AUDITED FINANCIAL STATEMENTS
Year ended June 30, 2018



JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
AUDITED FINANCIAL STATEMENTS
Year ended June 30, 2018

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JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern Arizona Association for the Visually Impaired
Tucson, Arizona

I have audited the accompanying financial statements of Southern Arizona Association for the Visually Impaired (an Arizona nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Arizona Association for the Visually Impaired as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Jennifer J. Phillips, CPA, PLLC

JENNIFER J. PHILLIPS, CPA, PLLC
Tucson, Arizona

April 2, 2019

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

Cash and cash equivalents	\$ 441,545
Investments - Note 3	709,656
Contracts and program service fees receivable	1,343,529
Bequest receivable - Note 15	266,013
Other receivables	6,056
Prepaid expenses and other assets	79,299
Client equipment inventory	34,752
Land held for investment - Note 3	11,129
Property and equipment - Notes 4, 5, 6 and 7	<u>828,752</u>
	<u><u>\$ 3,720,731</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 114,417
Accrued payroll and other expenses	105,567
Accrued vacation payable	175,056
Accrued lease liability - Note 11	29,072
Custodial liabilities	6,187
Line of credit - Note 5	125,000
Notes payable - Note 6	35,892
Capital lease obligations - Note 7	<u>10,830</u>
	602,021

Net assets:

Unrestricted:

Available for operations	2,022,574
Expended for property and equipment and land held for investment	<u>668,159</u>
	2,690,733
Temporarily restricted - Notes 8 and 10	283,885
Permanently restricted - Notes 9 and 10	<u>144,092</u>
	<u><u>3,118,710</u></u>
	<u><u>\$ 3,720,731</u></u>

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF ACTIVITIES
Year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues and support:				
Contract revenue	\$ 7,165,051	\$ -	\$ -	\$ 7,165,051
Less: match requirement	(385,662)	-	-	(385,662)
	<u>6,779,389</u>	<u>-</u>	<u>-</u>	<u>6,779,389</u>
Contributions	100,610	-	-	100,610
Bequests - Note 15	-	266,013	-	266,013
Program service fees	14,509	-	-	14,509
Investment income - Note 3	53,916	9,804	-	63,720
Equipment sales	3,976	-	-	3,976
Loss on sale of equipment	(3,308)	-	-	(3,308)
Other revenue	1,119	-	-	1,119
	<u>6,950,211</u>	<u>275,817</u>	<u>-</u>	<u>7,226,028</u>
Net assets released from restrictions	11,156	(11,156)	-	-
Total revenues and support	<u>6,961,367</u>	<u>264,661</u>	<u>-</u>	<u>7,226,028</u>
Expenses:				
Program services	6,089,281	-	-	6,089,281
Management and general	870,134	-	-	870,134
Fundraising	156,366	-	-	156,366
Total expenses	<u>7,115,781</u>	<u>-</u>	<u>-</u>	<u>7,115,781</u>
Change in net assets	(154,414)	264,661	-	110,247
Net assets, beginning of year	<u>2,845,147</u>	<u>19,224</u>	<u>144,092</u>	<u>3,008,463</u>
Net assets, end of year	<u>\$ 2,690,733</u>	<u>\$ 283,885</u>	<u>\$ 144,092</u>	<u>\$ 3,118,710</u>

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2018

Program services

	Rehabilitation and employ- ment services	Develop- mental disability services	Total	Management and general	Fundraising	Total
Salaries	\$ 3,312,395	\$ 183,270	\$ 3,495,665	\$ 469,660	\$ 105,881	\$ 4,071,206
Payroll taxes	270,057	15,572	285,629	37,976	8,644	332,249
Employee benefits	522,156	38,479	560,635	67,495	12,616	640,746
Total personnel	4,104,608	237,321	4,341,929	575,131	127,141	5,044,201
Bank service charges	33	-	33	4,304	36	4,373
Building repairs	52,523	3,453	55,976	7,823	2,041	65,840
Client assistance	178,801	-	178,801	-	-	178,801
Depreciation	182,199	13,687	195,886	24,009	4,488	224,383
Dues and subscriptions	1,654	-	1,654	4,568	-	6,222
Equipment expenses	105,867	2,132	107,999	5,826	699	114,524
Insurance	34,873	2,620	37,493	4,595	859	42,947
Interest expense	1,001	-	1,001	7,327	-	8,328
Investment fees	-	-	-	6,758	-	6,758
Meetings and conferences	39,360	-	39,360	28,856	-	68,216
Occupancy	365,528	13,774	379,302	20,597	11,807	411,706
Other expenses	2,492	-	2,492	7,375	-	9,867
Postage and reproduction	837	-	837	4,023	-	4,860
Professional services	26,216	10,686	36,902	61,317	588	98,807
Program equipment	122,761	-	122,761	-	-	122,761
Public relations/advertising	-	-	-	624	4,673	5,297
Rent for client housing	182,049	-	182,049	-	-	182,049
Supplies	135,328	11,036	146,364	39,364	1,041	186,769
Travel	128,180	-	128,180	58,382	-	186,562
Vehicle expense	121,134	9,128	130,262	16,013	2,993	149,268
Total functional expenses	5,785,444	303,837	6,089,281	876,892	156,366	7,122,539
Less: investment fees	-	-	-	(6,758)	-	(6,758)
	<u>\$ 5,785,444</u>	<u>\$ 303,837</u>	<u>\$ 6,089,281</u>	<u>\$ 870,134</u>	<u>\$ 156,366</u>	<u>\$ 7,115,781</u>

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF CASH FLOWS
Year ended June 30, 2018

Cash flows from operating activities:	
Change in net assets	\$ 110,247
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	224,383
Loss on sale of equipment	3,308
Change in value - land held for investment	(50)
Unrealized (gains) on investments	(49,333)
(Increase) decrease in operating assets:	
Contracts and program service fees receivable	(530,373)
Bequest receivable	(266,013)
Other receivables	2,998
Prepaid expenses and other assets	102,967
Client equipment inventory	23,982
Increase (decrease) in operating liabilities:	
Accounts payable	(125,786)
Accrued payroll and other expenses	(57,342)
Accrued vacation payable	(14,242)
Accrued lease liability	11,482
Custodial liabilities	340
Net cash (used in) operating activities	(563,432)
Cash flows from investing activities:	
Purchases of property and equipment	(65,295)
Proceeds from sale of equipment	5,306
Purchases of investments and reinvested dividends	(190,224)
Proceeds from sale of investments	775,670
Net cash provided by investing activities	525,457
Cash flows from financing activities:	
Borrowings on line of credit	250,000
Repayments of line of credit	(175,000)
Repayments of notes payable	(20,566)
Repayments on capital lease obligations	(7,305)
Net cash provided by financing activities	47,129
Net change in cash and cash equivalents	9,154
Cash and cash equivalents, beginning of year	432,391
Cash and cash equivalents, end of year	\$ 441,545

Supplemental disclosure:

Cash paid for interest	\$ 8,328
No cash paid for income taxes.	

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – Nature of operations

The Southern Arizona Association for the Visually Impaired's (SAAVI's) mission is to provide dynamic and progressive programs and services to meet the rehabilitation and social needs of individuals with vision impairment, promoting individuals to become active participants in determining their success, and raising public awareness through community involvement and establishment of partnerships with others. Funding is received principally from private donors and from vendor contracts with the State of Arizona Department of Economic Security.

SAAVI's two major programs are:

- Rehabilitation and employment services, which provide rehabilitation skills, computer, and job search skills to adults who have vision loss; and
- Developmental disability services, which provides individual and group counseling to strengthen social and communication skills and promote participant autonomy.

NOTE 2 – Summary of significant accounting policies

Financial statement presentation

Under generally accepted accounting principles, SAAVI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

SAAVI considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair market value. Donated investments are recorded at their fair market value at the date of gift.

Contracts and program fees receivable

Contracts and program fees receivable are stated at the amount management expects to collect from various governmental entities on outstanding balances. All receivables are due within one year. These amounts contain no collateral provisions for collection.

Client equipment inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market except for donated inventory which is valued at the fair value at the date of donation. Inventory consists of visual aids purchased for issuance to clients enrolled in rehabilitation programs.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 2 – Summary of significant accounting policies – continued

Property and equipment

SAAVI capitalizes all expenditures for property and equipment in excess of \$1,000 and/or aggregate of \$3,000 for like equipment with a useful life of two years or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

SAAVI reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. SAAVI has determined that there were no indicators of asset impairment during the year ended June 30, 2018.

Vacation pay

Vacation pay is accrued as a liability when earned by the employees since the employees receive vested rights to this benefit.

Custodial liabilities

Custodial liabilities consist of funds SAAVI is holding for participants in the developmental disabilities program to be used toward program activity expenses and funds held for social clubs.

Fair value measurements

Fair value measurements are determined based on the assumptions—referred to as inputs—that market participants would use in pricing the asset or liability. A fair value hierarchy distinguishes between market participant assumptions and SAAVI's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are SAAVI's own assumptions about what market participants would assume based on the best information available in the circumstances.

Level 1 inputs. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value.

Level 2 inputs. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. They include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates or yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. These inputs reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

Endowments

SAAVI's endowments consist of funds established by donor restriction. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 2 – Summary of significant accounting policies – continued

The State of Arizona adopted the Management of Charitable Funds Act (the Act). The Board of Directors of SAAVI has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SAAVI classifies as permanently restricted net assets (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 at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, SAAVI considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

Revenue and revenue recognition

Revenue is recognized when earned. Program service fees and payments received under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities, an unconditional pledge or other assets are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets in accordance with generally accepted accounting principles.

Donated goods and services

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

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although SAAVI uses the services of volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 2 – Summary of significant accounting policies – continued

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising costs

Advertising costs are expensed as incurred.

Income tax status

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

Management of SAAVI considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the organization's status as a not-for-profit entity. Management believes that SAAVI met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. Accordingly, SAAVI has not filed an *Exempt Organization Business Income Tax Return* (Form 990-T) with the Internal Revenue Service (IRS) for the year ended June 30, 2018. SAAVI's Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the IRS for three years after the date the return was filed.

Financial instruments and credit risk

SAAVI manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, SAAVI has not experienced losses in any of these accounts. As of June 30, 2018, uninsured cash totaled \$11,735.

Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believes that the investment policies and guidelines are prudent for the long-term welfare of the organization. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that such changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of SAAVI's mission; however, there is a potential credit risk and accounting loss that could occur if all parties to the receivables fail to perform their obligations for the stated amounts.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 3 – Investments/fair value measurements

Investments consisted of exchange-traded funds (ETFs) in the amount of \$709,656 at June 30, 2018. The fair values of assets measured on a recurring basis at June 30, 2018 were as follows:

	Level 1	Level 3	Total
ETFs	\$ 709,656	\$ -	\$ 709,656
Land held for investment	-	11,129	11,129
	<u>\$ 709,656</u>	<u>\$ 11,129</u>	<u>\$ 720,785</u>

Changes in Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs were as follows for the year ended June 30, 2018:

Beginning balance	\$ 11,079
Change in value	50
Ending balance	<u>\$ 11,129</u>

Valuation techniques

The fair value of SAAVI's marketable securities are determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions. The fair value of land held for investment was determined using the property tax value of the land.

There were no changes in valuation techniques during the year ended June 30, 2018. Determinations of transfers between levels are made on an annual basis at year-end. There were no transfers between levels for the year ended June 30, 2018.

Investment income consisted of the following for the year ended June 30, 2018:

Interest and dividend income	\$ 21,145
Unrealized gains	49,333
Investment fees	(6,758)
	<u>\$ 63,720</u>

NOTE 4 – Property and equipment

Property and equipment consisted of the following at June 30, 2018:

Land and improvements	\$ 236,578
Buildings and improvements	1,178,411
Leasehold improvements	125,756
Furniture, fixtures and equipment	679,639
Vehicles	673,375
	<u>2,893,759</u>
Less accumulated depreciation	(2,065,007)
	<u>\$ 828,752</u>

NOTE 5 – Line of credit payable

SAAVI has a revolving \$300,000 line of credit with a financial institution to be drawn as needed, secured by accounts receivable and equipment. The outstanding balance on this line of credit was \$125,000 at June 30, 2018. Any outstanding principal bears interest equal to the 30-day LIBOR plus 3% (5.53% at June 30, 2018).

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 6 – Notes payable

SAAVI has entered into six note payable agreements collateralized by vehicles, with interest rates ranging from 0% to 5.29%, monthly payments ranging from \$245 to \$320, maturing through 2021. Future minimum payments under the notes payable are as follows:

Year ended June 30, 2019	\$	17,343
2020		14,127
2021		4,422
	\$	<u>35,892</u>

NOTE 7 – Capital lease obligations

In 2015, SAAVI leased two vehicles under capital leases. The outstanding obligation on the leases was \$10,830 at June 30, 2018. The economic substance of the lease is that SAAVI is financing the acquisition of the assets through the lease, and accordingly, they are recorded in SAAVI's assets and liabilities. Amortization of the leased assets is included in depreciation expense. The original cost of the vehicles was recorded at \$40,772, and the net book value of the assets was \$0 at June 30, 2018. Future minimum payments related to non-cancelable capital leases are as follows:

Year ended June 30, 2019	\$	10,978
Less: imputed interest		(148)
	\$	<u>10,830</u>

NOTE 8 – Temporarily restricted net assets

Temporarily restricted net asset activity was as follows for the year ended June 30, 2018:

	Beginning balance	Contributions	Investment income	Appropriations/ releases	Ending balance
Program restrictions:					
Vision care center	\$ 156	\$ -	\$ -	\$ (156)	\$ -
NFB's Bell Academy	11,000	-	-	(11,000)	-
Bequest - timing	-	266,013	-	-	266,013
Endowment earnings:					
Scholarships	8,068	-	9,527	-	17,595
Operations	-	-	277	-	277
	<u>8,068</u>	<u>-</u>	<u>9,804</u>	<u>-</u>	<u>17,872</u>
	\$ <u>19,224</u>	\$ <u>266,013</u>	\$ <u>9,804</u>	\$ <u>(11,156)</u>	\$ <u>283,885</u>

NOTE 9 – Permanently restricted net assets

Permanently restricted net assets activity consisted of the following for the year ended June 30, 2018:

	6/30/2017	Additions	6/30/2018
Scholarships	\$ 139,556	\$ -	\$ 139,556
Operations	4,536	-	4,536
	<u>\$ 144,092</u>	<u>\$ -</u>	<u>\$ 144,092</u>

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 10 – Endowments

Funds with deficiencies

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 the Act requires SAAVI to retain as a fund of perpetual duration. Accumulated deficiencies of this nature were \$0 at June 30, 2018.

Return objectives and risk parameters

SAAVI has adopted investment policies including those for endowment assets that attempt to preserve the capital, preserve the purchasing power, and achieve long-term growth of capital of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, all assets including endowment assets are invested in a manner that is intended to produce results that exceed various external benchmarks while assuming a moderate level of investment risk.

Investment strategies

To satisfy its long-term rate-of-return objectives, SAAVI 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). SAAVI targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending policy

At the beginning of each fiscal year, the Finance Committee recommends the distribution percentage to be utilized for that year for all endowments, which is then approved by SAAVI's Board of Directors. For scholarships, the distribution percentage is utilized to withdraw funds twice during the year. Scholarship awards are approved by the Board of Directors based on recommendations of the Finance Committee. For the operating endowment, the distribution percentage is utilized to determine the amount available for withdrawal, and the Board approves how the funds will be spent.

Endowment fund net assets

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Beginning balance	\$ (33)	\$ 8,068	\$ 144,092	\$ 152,127
Interest and dividend income	33	3,289	-	3,322
Unrealized gains on investments	-	7,714	-	7,714
Investment fees	-	(1,199)	-	(1,199)
Ending balance	\$ -	\$ 17,872	\$ 144,092	\$ 161,964

NOTE 11 – Operating leases

SAAVI leases office space in Yuma, Arizona and in Phoenix, Arizona, as well as apartments for client programming. In addition, SAAVI leases equipment under non-cancelable operating leases, with expiration dates ranging from August 2020 to September 2020. The office lease calls for escalating rent payments over the lease period, and generally accepted accounting principles require that rent expense be recognized straight-line over the term of the lease. In the beginning of a lease term requiring escalating payments, recognizing this expense in accordance with generally accepted

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 11 – Operating leases – continued

accounting principles will result in accrued lease liability on the statement of financial position. The accrued lease liability was \$29,072 for the year ended June 30, 2018. Total lease expense was \$476,791 for the year ended June 30, 2018. Future minimum lease payments under the operating leases are as follows:

Year ended June 30, 2019	\$	274,000
2020		246,661
2021		265,678
2022		67,124
	\$	<u>853,463</u>

NOTE 12 – Retirement benefits

SAAVI sponsors a SIMPLE IRA retirement plan. All regular full-time and part-time employees are eligible to participate in the plan, and SAAVI matches employee contributions up to 3% of the employee's salary. Funds deposited into the plan are immediately 100% vested. Total retirement expense was \$72,937 for the year ended June 30, 2018.

NOTE 13 – Contingencies

SAAVI has eight vehicles substantially paid for by the Arizona Department of Transportation (ADOT). Five vehicles were received during the year ended June 30, 2016, one vehicle was received during the year ended June 30, 2017, and two vehicles were received during the year ended June 30, 2018. ADOT has placed a lien on each of the vehicles that will remain in effect throughout the useful life of the vehicle, or until the remaining asset value is less than \$5,000, but in either case for not less than 100,000 miles. Vehicles should be used in the manner they were prescribed until they reach the end of their useful lives. If the vehicles are sold in excess of \$5,000, the federal share must be returned to ADOT.

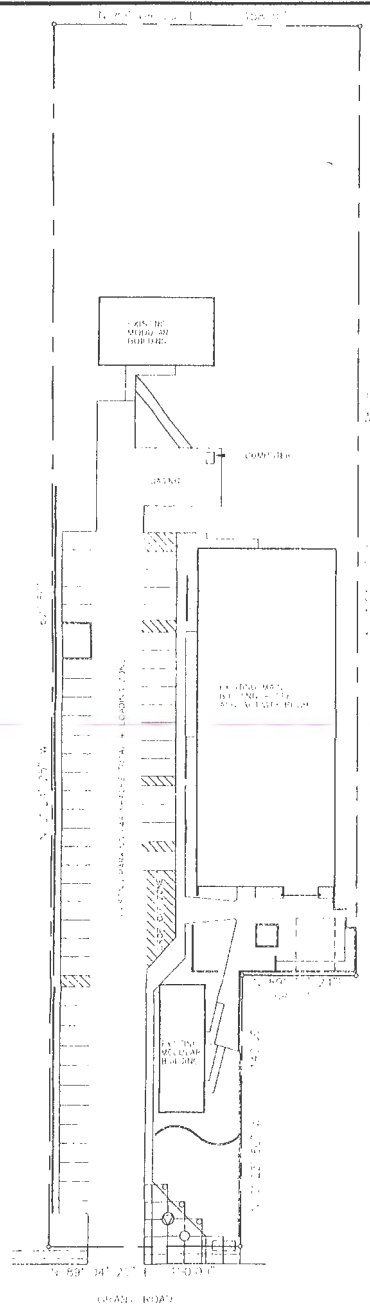
NOTE 14 – Concentrations

At June 30, 2018, the majority of contracts and program service fees receivable were due from one funding source (Arizona Department of Economic Security), representing 99% of total receivables. For the year ended June 30, 2018, revenue from that funding source constituted 92% of total revenues and support.

NOTE 15 – Subsequent events

Subsequent to year-end, SAAVI received notification that they had been named the beneficiary of a bequest of cash and cash equivalents prior to year-end. As the amounts to be received are probable and estimable, they are recorded as bequests receivable as of June 30, 2018.

Subsequent events have been evaluated through April 2, 2019, which is the date the financial statements were available to be issued.



DEMOLITION FLOOR PLAN

Code Review Summary

References to the Arizona State Code, International Building Code, Life Safety Code (NFPA 101), Uniform Code of Councils, Building Materials Code, National Electrical Code, City of Tucson Ordinance, and other applicable codes.

Building Code Review Summary

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TUCSON ASSOCIATION FOR THE BLIND AND VISUALLY IMPAIRED PHASE I - TENANT IMPROVEMENTS 3161 E. GRANT ROAD TUCSON, ARIZONA

ARCHITECT:

SCOTT S. RIMEL ARCHITECT

CONSULTING ENGINEERS:

Structural Engineer:

Holzer, Martin and White
Tucson, Arizona
(520) 327-3491

Mechanical Engineer:

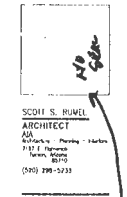
SM Mechanical Engineering
Tucson, Arizona
(520) 327-7811

Electrical Engineer:

McGivick & Associates
Tucson, Arizona
(520) 881-8896

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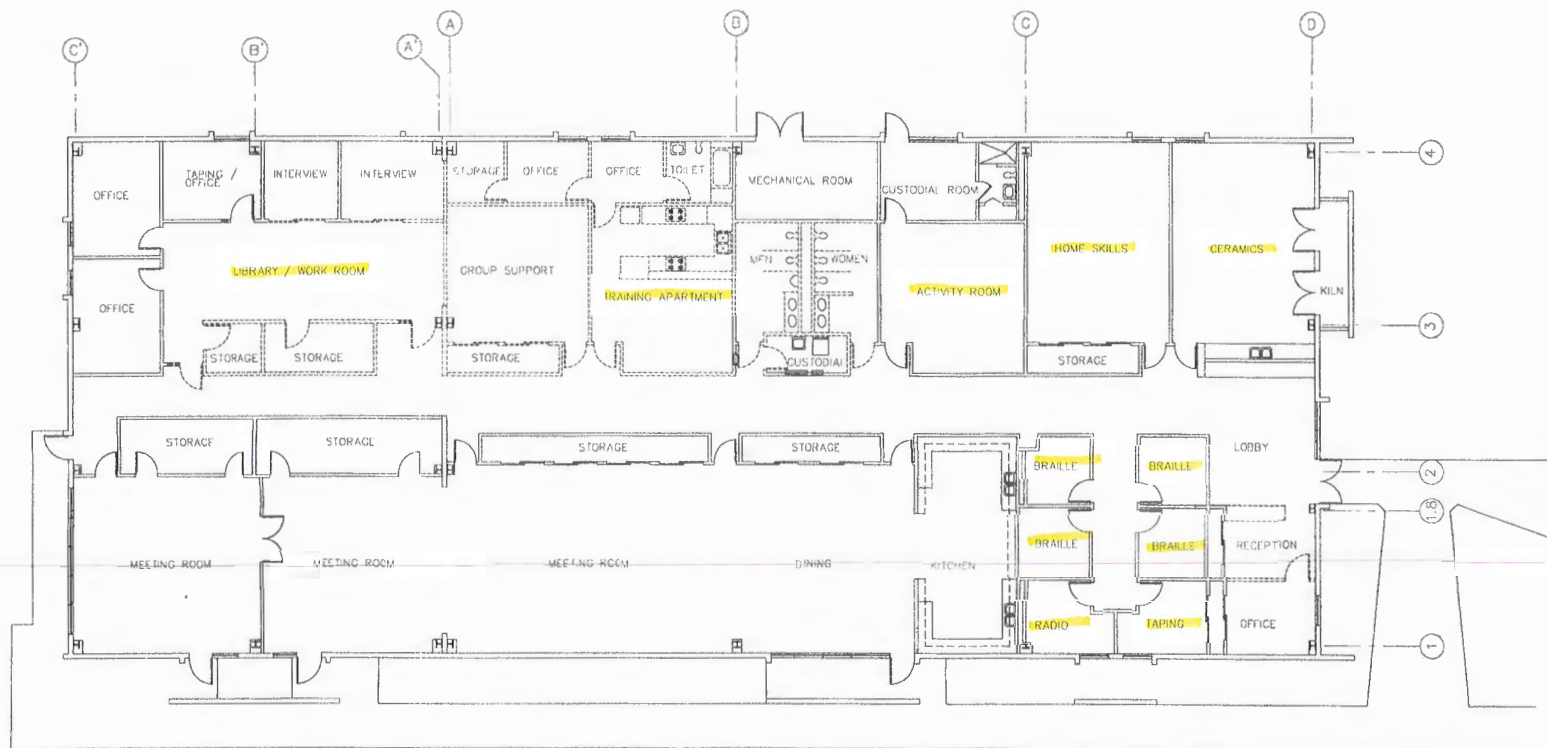


TUCSON ASSOCIATION FOR THE BLIND AND VISUALLY IMPAIRED
PHASE I - TENANT IMPROVEMENTS
3161 E. GRANT ROAD
TUCSON, ARIZONA 85710
(520) 327-3491

COVER SHEET & SITE PLAN

JCB No. 10166
DATE 9-8-91

XI



① DEMOLITION FLOOR PLAN
1/8" = 1'-0"



SCOTT S. RUMEL
ARCHITECT
100 N. PASEO
TUCSON, ARIZONA
(520) 398-3333

TUCSON ASSOCIATION FOR THE BLIND
AND VISUALLY IMPAIRED
PHASE I - TENANT IMPROVEMENTS
3761 EAST GRANT ROAD
TUCSON, ARIZONA

DEMOLITION FLOOR PLAN

REVISIONS

JOB No. 101.00

DATE 9-8-81

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 Fire Prevention
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 and fire lane
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PADLOCK BACK E
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 DIV 8

BARRIER POST
 TERMINATING BLAC
 YELLOW STRIPES
 WIDE

20' WIDE DRIVE
 EDGE OF PAVING

EXISTING POWER POLE
 W/ TRANSFORMERS

ELEC. NOTE:
 UNDERGROUND
 PROVIDE/INSTALL 2" Ø PVC CONDUITS W/
 PULL KOPES FOR FUTURE INTERCONNECTIONS
 OF TELEPHONE & FIRE ALARM SYSTEMS
 BETWEEN THE EXISTING STRUCTURES
 TERMINATE SOUTH END IN CLOSET OF A/E
 OFFICE IN TRAILER.

12" Ø MIN. CONC
 BARRIER

Provide at
 fire lane
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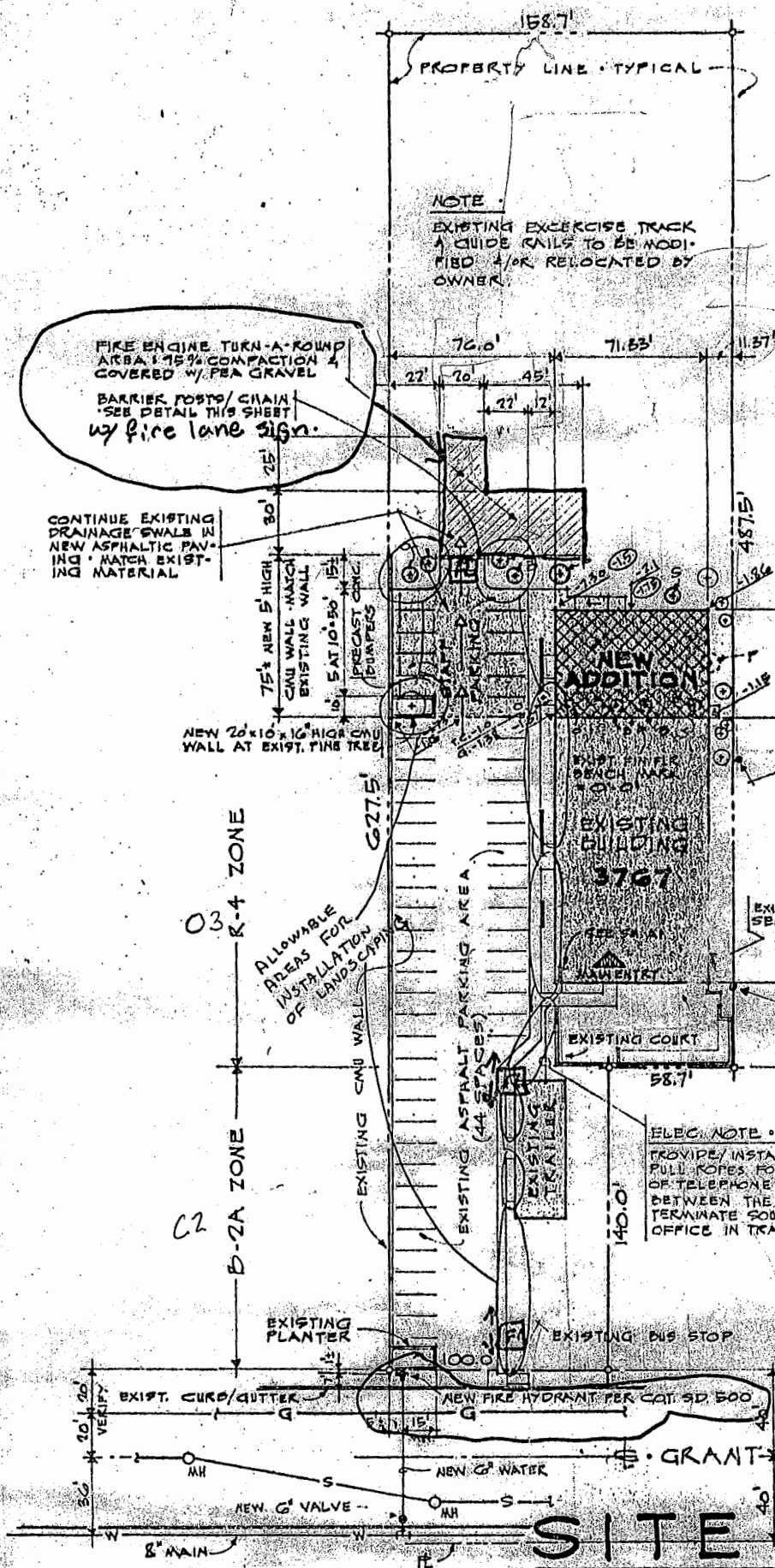
SITE PLAN

7.16.96

SATISFACTORY TO :

Kim D. [Signature]
 TUCSON ASSOCIATIO

1 inch = 50 feet



ZONING DISTRICT NARRATIVE SUMMARIES

(For a complete description refer to *Land Use Code*, Chapter 23, *Tucson Code*)

OS	OPEN SPACE – Used for protection of permanent open space.
IR*	INSTITUTIONAL RESERVE – Federal, State, City, County, and other properties under public ownership which are natural reserves or wildlife refuge reserves.
RH*	RURAL HOMESTEAD – Primarily low density residential property, with limited commercial and industrial uses to service residential development.
SR, RX-1, RX-2	LOW DENSITY RESIDENTIAL – Primarily low density residential property, with recreational/tourist related enterprises permitted subject to lot size.
SH*	SUBURBAN HOMESITE – Primarily low density (2 units per lot) residential property, with uses as permitted in the SR zone.
R-1	RESIDENTIAL - SINGLE-FAMILY – Primarily for the use of single-family residences. Schools, churches, and public buildings permitted.
R-2	MEDIUM DENSITY RESIDENTIAL – Multifamily and single-family residences permitted.
R-3	HIGH DENSITY RESIDENTIAL – Primarily for apartment houses; single-family development permitted.
MH-1	MOBILE HOME – Mobile homes permitted, along with site-built structures. Medium density mobile home parks permitted.
MH-2	MOBILE HOME PARK – Mobile home parks or mobile home subdivisions, along with social, commercial, and recreation facilities permitted as secondary uses.
O-1, O-2	LOW INTENSITY OFFICE – Allows for conversion of residential to office use, primarily for properties located on arterial and/or collector streets.
O-3	OFFICE – Professional and semiprofessional office, high density residential developments, and limited research and development uses permitted.
RVC*	RURAL VILLAGE CENTER – Retail shopping facilities, planned and designed for the convenience and necessity of a suburban or rural neighborhood.
NC	NEIGHBORHOOD COMMERCIAL – Low-intensity, small-scale commercial and office uses that are compatible in size and design with adjacent residential uses.
C-1	LOCAL COMMERCIAL – A restrictive commercial zone, limited to retail sales with no outside display/storage. Office and residential development permitted. Restaurants permitted.
C-2, C-3	GENERAL AND INTENSIVE COMMERCIAL – Retail commercial with wholesale; nightclubs, bars, amusement enterprises permitted. Full range of automotive activities; sales, repair, leasing, etc. Limited manufacturing permitted. Residential uses permitted.
P	PARKING – Off-street parking at or below grade.
RV	RECREATIONAL VEHICLE PARK – Travel trailer park only permitted use. Residences and social and recreational secondary uses allowed.
OCR-1, OCR-2	OFFICE/COMMERCIAL/RESIDENTIAL – High-rise mixed office, commercial, and residential uses located in major activity centers.
PAD	PLANNED AREA DEVELOPMENT (PAD) ZONE – A zoning classification which provides for the establishment of zoning districts with distinct regulations as adopted by Mayor and Council.
MU*	MULTIPLE USE – A mixed use zone permitting low to medium density residential development and various commercial activities commonly from the O-3 to C-2 zones.
P-I	PARK INDUSTRIAL – The most restrictive of industrial zones. Administrative, manufacturing, and wholesale activities carried on entirely within an enclosed structure. Limited retail sales permitted when incidental to an industrial use.
I-1, I-2	LIGHT AND HEAVY INDUSTRIAL – Commercial, industrial, and manufacturing uses; residential restricted to caretakers residence, except for Resident Artisans in the Downtown Warehouse District.

The following table lists the overlay zones, as provided in the *LUC*, which may have requirements which supersede requirements of the zone.

OVERLAY ZONES		
HDZ	Hillside Development Zone	2.8.1
SCZ	Scenic Corridor Zone	2.8.2
MS&R	Major Streets and Routes Setback Zone	2.8.3
	Gateway Corridor Zone	2.8.4
AEZ	Airport Environs Zone	2.8.5
ERZ	Environmental Resource Zone	2.8.6
	Reserved	2.8.7
HPZ	Historic Preservation Zone	2.8.8
DSO	Drachman School Overlay Zone	2.8.9
RND	Rio Nuevo and Downtown (RND) Zone	2.8.10
See also Chapter 25 (Floodplain) and Chapter 29 (WASH) of the <i>Tucson Code</i> .		

GENERAL NOTES

*Zoning for newly annexed areas only.

For a complete description of all zones, refer to the *Land Use Code*, Chapter 23 of the *Tucson Code*.

Home Occupations are permitted as secondary uses to all residential uses.

For specific off-street parking requirements by land use, refer to Section 3.3.4.

Screening and landscaping requirements are found in Section 3.7 and *Development Standards* 2-06 and 2-07.

For additional information on rezoning requirements, call (520) 791-4541.



RECEIVED

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ATTACHMENT "B"



CERTIFIED MAIL and REGULAR MAIL

January 28, 2016

TUCSON ASSN FOR THE BLIND
& VISUALLY IMPAIRED
3767 E GRANT RD
TUCSON, AZ 85716-2935

RE: Project Name: Grant Rd, Edith Blvd to Venice Pl
TRW File Number: 15T6-003-N133B
Parcel Number: 111081730
Site Address: 3767 E GRANT RD
Subject: General Project Notice and Introduction

Dear Sir or Madam,

The City of Tucson ("City") Department of Transportation is in design of the Broadway Blvd, Euclid to Country Club Public Improvement Project ("Project"). This project has been authorized through the Regional Transportation Authority (RTA) as approved by the voters in 2006. The Tucson Mayor and Council approved an alignment concept and design parameters that include roadway widening, streetscape improvements, bike lanes, sidewalks, and ADA compliant pedestrian features.

This is a general notice and status update for the future activities related to real estate. Tierra Right of Way Services, Ltd. ("Tierra") has been contracted by the City of Tucson to assist with the Real Estate Services needed for the Project. To allow the Real Estate activities to move forward in a timely manner, Tierra is beginning Relocation Planning activities throughout the Project area now. You can find more information about Relocation Planning in the attached flyer. You are receiving this letter because the property you occupy may be impacted by the roadway project. At this time we are reaching out to all property owners and tenants in the project area that may require relocation. It is anticipated that the 30% Engineered Design Plans will be accepted by TDOT in Spring 2016, at which point the City will begin moving forward with real estate acquisition. As the project progresses, you will receive follow-up information from Tierra regarding the real estate acquisition and relocation processes.

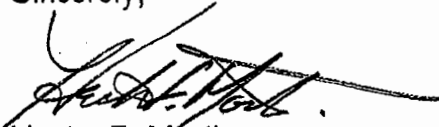
We are seeking to meet with you, the occupant of the property, to discuss and explain the next steps in the Real Estate activities for the Project. Please contact Denise George with Tierra Right of Way Services at 520-319-2106, or call us toll free at 800-887-0847 to schedule a Relocation Interview.

Also, you are invited to attend an Acquisition 101 Presentation that will be offered by the City of Tucson and Tierra Right of Way Services to explain the general processes of

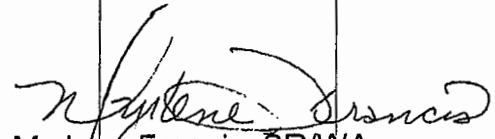
Real Estate activities that you may be experiencing over the next year as the Project moves forward. The presentation will be offered on: February 4, 2016 at 5:30 p.m. at 3202 E. 1st Street Tucson, AZ. Please call (520) 624-4727 or email information@grantroad.info to RSVP.

Additional Project information can be found on the project website at www.grantroad.info.

Sincerely,



Hector F. Martinez
City of Tucson
Real Estate Program Director



Myrlene Francis, SR/WA
Right of Way Division Manager
Tierra Right of Way Services, Ltd
On behalf of the City of Tucson

MEETING MINUTES

SAAVI Services for the Blind

Meeting by: Marlene Frances and Denise George – Tierra Right of Way

Date: June 22, 2016

Location: Developmental Services, 021 N. Stone, 3rd Floor

Re: Grant Road Widening Project & Acquisition of SAAVI Property

Present:

Marlene Frances – Tierra Right of Way

Ingrid Williams – Tierra Right of Way

Patricia Gayland – COT Zoning

Carolyn Laurie – COT Principal Planner

Alexandra Hines – COT Planner

Mike Gordon – SAAVI CEO

Phil Borzillo – SAAVI Transportation & facilities Coordinator

Reason for Meeting:

Discuss how to move forward if we wish to build on Main Site (3767 E. Grant) and move Annex to Main Site.

Notes:

1) Issue raised by Patricia Gayland: Last approved Site Plan (1995) does not match aerial photo of 3767 East Grant Road Site.

- a) Storage Addition to Back Modular Building.
- b) Ramada north of Main Building
- c) Lion's Storage Containers

Note: Patricia was confrontational and all about "the letter of the code" regarding any current violations. She showed up with her Zoning Manual and referred to it several times during her conversation. She does not seem to want to be helpful.

Main Site divided into 2 Zones: B A2 and R4 O3. The division line is between the Front Modular Building and the Main Building.

Patricia does not think that SAAVI Business is in compliance w/ R4 Zoning at Rear of lot. She classified SAAVI as a "school: then Medical Services Outpatient.

We are claiming to be a Business providing Blind Services

- 2) COT completed their research & fact gathering and are now ready to discuss options.
- 3) COT suggested that we work with Regina Bream – Civil Engineer for Development Plan.
- 4) City will only acquire what they need for the Grant Road Widening Project:
 - a) Flower Shop, Sign and Frontage 3801 E. Grant Road
 - b) Main Building Site Frontage to about 3; north of gate. 3767 East Grant Road
 - c) Annex Building – Complete Acquisition. 4002 East Grant Road

COT still working on October 2017 Deadline for acquisition of Annex Building (Phase 3 & 4 combined). Deadline driven by TEP contract.. COT claims this date WILL NOT MOVE.

5) Carolyn Laurie claimed that the COT would help us through acquiring variances and/or addressing various zoning issues. Patricia Gayland did not seem to be on the same page.

Patricia; "Everything must be in compliance with current zoning codes."

6) Due to confusion surrounding what SAAVI does, what we are and what the use of our site is defined as, the COT is suggesting that we submit for a "Zoning Determination Request".

The submittal would include defining our program(s) at both the Annex 4002 East Grant and at the Main Building Site 3767 East Grant Road for a "Use Modification Request".

Note: If they are not able to define what we are, how was it that they were going to make suggestions on how to fix any issues today?

7) Patricia Gayland: Front Setback at 3767 East Grant and at 3801 East Grant is 21'-0" or height of building.

Note: Front Mod is 21 feet from our Main Entry Gate. If they acquire up to 3 feet, per engineers drawings, inside our gate, the Front Modular will be 17'-0" from the new property line location and left in non-compliance with front setback requirements of 21'-0".

8) Patricia Gayland claims to solve our problem by suggesting that we replace the Annex with new construction on the Flower Shop (3801 E. Grant) site.

Note: There is not enough square footage on the 3801 East Grant lot to construct a 3,700 square foot building to replace the Annex.

9) Patricia Gayland stated that we would have to move the Front Modular Building to the east and put the parking back to its original design.

Clarification: This would remove the jog that was designed when the front modular building was added and allow the existing parking in front of the Main Building to continue to the south.

Note: I (Phil) showed Patricia Gayland concept drawings showing several schemes to expand on Main Site, including her idea of moving part of Annex to Flower Shop Site (3801 E. Grant).

10) Patricia Gayland backed off her comments regarding the discrepancies between her photo of our site and the last approved Site Plan. She stated that the "use" still needs to be clarified. When questioned, she stated that she would not take action against SAAVI for "potential" existing non-conforming site issues that she raised.

Carolyn Laurie stated that she would help us work out the above issues.

BY Phil Borzillo

END OF MEETING NOTES

MEETING MINUTES

SAAVI Services for the Blind

Meeting by: Marlene Frances and Denise George – Tierra Right of Way

Date: December 2017

Location: Developmental Services, 021 N. Stone, 3rd Floor

Re: Grant Road Widening Project & Acquisition of SAAVI Property

Present:

Mr. Beal - Zoning

Marlene Frances – Tierra Right of Way

Carolyn Laurie – COT Principal Planner

Mike Gordon – SAAVI CEO

Phil Borzillo – SAAVI Transportation & facilities Coordinator

Reason for Meeting:

Discuss how to address zoning issues at 3767 East Grant Road.

Notes:

1) Introduction: Mr. Beal as COT Zoning "guru"

2) Discussed zoning requirements on our Main Site. COT stated that they thought that the zoning line between (B2 A) O3 and (R4) C2 zone may be further north than shown on all the existing drawings. COT will research and get back with us. This would have a huge bearing on how we can use our property. COT will get back with us next week with more information regarding the actual location of the zoning lines.

2) 50% of the O3 side would have to be parking

3) A 10' Landscape Buffer and 6' masonry wall will be required at side yards(?)

4) COT suggested that we submit an application to re-zone. They reviewed the process of pre-submittal meetings and provided a Board of Adjustment Application Packet for Variances Unified Development Code (UDC). They also confirmed that we will be required to submit a Development Plan.

5) We discussed that SAAVI is not necessarily in the position to pay for the cost of preparing a Development Plan Submittal. COT stated that there were engineering firms in town that will do pro-bono work and perhaps we would be a good candidate. Denise George had some names of engineers too. She will forward them to us next week.

Note: Denise quickly mentioned:

Rory Goodman, Cary Silvan, The Planning Center with Linda Morales

BY Phil Borzillo

END OF MEETING NOTES

Phil Borzillo

From: Myrlene Francis <mfrancis@tierra-row.com>
Sent: Wednesday, January 16, 2019 1:32 PM
To: Mike Gordon
Cc: Phil Borzillo; Steve Shields
Subject: SAAVI: 4002 Grant Road (License Agreement)

Mr. Gordon,

The following information is in response to your written letter dated September 26, 2018.

Tierra Right of Way Services, Ltd. and the City of Tucson staff met at the City of Tucson on November 13, 2018, to discuss the concerns and issues you have raised regarding the SOUTHERN AZ ASSN FOR THE VISUALLY IMPAIRED (SAAVI) parcels impacted by the Grant Road Phase 3 & 4 Project.

As of today, Tierra received approval to reduce the monthly rental rate of 4002 E Grant Road to \$1,240 per month for up to 12-months, for the extended occupancy of SAAVI at 4002 E Grant Rd. The 12-month period is intended to allow for the legalization of the property at 3767 E Grant Rd. for a successful move and consolidation of the SAAVI operations into the single site as previously discussed.

We would like to clarify the status of each parcel impacted by the Project. First, the Project is progressing with the purchase of full acquisition parcels, only, at this time. Design of the transportation improvement project is in process. The technical design is not completed to the level to allow for all partial acquisitions to progress.

4002 E GRANT RD; This parcel is needed as a full acquisition as the existing structure will be impacted by the new right of way line. The offer to purchase in the amount of \$496,000.00 has been provided to you on June 20, 2018, and is in negotiations. The Relocation eligibility has also been provided. Relocation benefits will be available to move to a replacement site to be leased or purchased by the Displacee. We understand the Displacee's intention to move the personal property from this site to their property at 3767 E Grant Road. Relocation Benefits will be available to move to this location, however not all benefits are available to move to a site owned or leased by the Displacee. Tierra can discuss these with you as you continue to evaluate your options and the needed actions by SAAVI to move from 4002 E Grant Rd.

3767 E Grant Rd. As you have been advised by the City previously, the site currently zoned 0-3, is non-conforming (06/22/2016 and 12/05/2017 Meeting) and a rezone (12/05/2017 Meeting) is required for any modification to this site by the owner, for any purpose.

The rezone and Development Package (for any modifications to the site) are two separate processes that can be finalized concurrently. However, the rezone is necessary for any modifications, including change of use, additional structures or facilities, etc.

The following development elements and criteria must be addressed in the rezone and development package:

- Pedestrian,
- Parking,
- Setbacks,
- ADA, and
- Landscape

appears the most likely zoning needed for the site is C-1. However, you may want to discuss your current and future needs with a professional rezoning consultant, to ensure your needs are properly addressed.

Tierra is aware of the following three (3) firms performing these types of services within the City of Tucson:

1. Lazarus, Silwyn & Bangs, P.C.; 4733 East Camp Lowell Drive Tucson, AZ 85712-1256 (520) 207-4464 Rory Juneman (rjuneman@lsbfandlaw.com)
2. Steven C Shell; 10741 E AVENIDA HACIENDA, TUCSON Arizona 85748 (520) 885-6444 Steven C. Shell (scshell@cox.net)
3. The Planning Center; 2 E. Congress, Suite 600 Tucson, AZ 85701 (520) 623-6146 info@azplanningcenter.com

It is anticipated the rezone will take 4-6 months to process.

The City fees can be between \$7,000-\$10,000; there is not availability to waive the fee for a non-profit.

The Professional Services fees would be in addition. As the site is already owned by SAAVI the relocation benefits will be limited.

An Individual Parking Plan (IPP) may also be utilized during the Development Package process for reduction of parking requirements onsite due to the type of use.

To date, the Zoning Determination Request formal letter requested to be provided to Russlyn Wells, Zoning Administrator, on 06/22/2016, has not been received. This Request was to explain the percentage of uses, the existing and proposed uses on the site, the description of business uses (adult rehabilitation), summer transitional 9-12 yrs, and youth skills, Instructional School since 1995. This letter was also to express the desired long term use of the site. Current and proposed uses and activities, designated in the letter, will be utilized by staff to make a Zoning Determination of the site.

As the next steps, first, please prepare and provide the formal Zoning Determination Request letter for 3767 E Grant Rd. to Russlyn Wells (russlyn.wells@tucsonaz.gov). Upon response to this letter, please contact a professional to assist you with the rezone of the site to legalize the current use, and plan for any future use. A Development Package will be needed for the proposed future use of the site and any additional construction or improvements.

you have any other questions regarding the required rezone for any modifications to the site at 3767 E Grant Rd. please contact Steve Shields (Steve.Shields@tucsonaz.gov).

We encourage you to continue to partner with Tucson Police Department for your concerns regarding the transient population and criminal activities within the community.

Thank you,

Myrlene Francis, SR/WA

Right of Way Manager, Tucson Division Tierra Right of Way Services

1575 E. River Road, Suite 201, Tucson, AZ 85718

(520) 319-2106 | www.tierra-row.com

(520) 260-9197 cell

This message, including any attachments, contains confidential information intended for a specific individual and purpose, and is protected by law. Any disclosure, copying, or distribution of this message or the taking of any action based on it, by anyone other than the intended recipient stated herein, without the express written consent of Tierra Right of Way Services is strictly prohibited.

Spam

Phish/Fraud

Not spam

Forget previous vote

NON-PROFIT AND RELIGIOUS ORGANIZATIONS
Response to Property Tax Information and Questionnaire Form
Re: 4002 East Grant Road, Tucson, Arizona 85712
Parcel ID 12208043A
June 18, 2019

I.R.S. Exemption Letter: See Attached
By-Laws: See Attached
Articles of Incorporation: See Attached
Financial Report: See Attached

Letter of Specific Intent:

To whom it may concern,

It is the intent of (S.A.A.V.I.) Southern Arizona Association for the Visually Impaired to seek a waiver for personal and property taxes for the year 2018 based on our 501 (c)(3) non-profit status as an educational, instructional and training facility for the visually impaired.

The subject property is located at 4002 East Grant Road in Tucson, Arizona which was acquired on April 28, 2011 for the purpose of facilitating SAAVI's Finance Department, Human Resources Department, Social Recreation Activities and Alumni functions and meetings due to our growing operations and increased staff.

On property, SAAVI maintains and houses the following items:
Furniture, furnishings, computer equipment and software, office equipment, art supplies and art tools, metal storage shed.

This location is not used for religious worship.

If you have any questions, please do not hesitate to contact me. Thank you for your time and consideration.

Sincerely,



Michael Gordon -Chief Executive Officer
Southern Arizona Association for the Visually Impaired
3767 East Grant Road
Tucson, Arizona 85716
(520) 795-1331 extension 222

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NON-PROFIT AND RELIGIOUS ORGANIZATIONS
Property Tax Information and Questionnaire form

QUESTIONNAIRE FOR PROPERTY TAX EXEMPTION
ALL QUESTIONS MUST BE ANSWERED TO BE CONSIDERED FOR EXEMPTION

1. Name & Address of Organization:

SAAVI SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
4002 EAST GRANT ROAD
TULSON, AZ. 85712

2. Under which section of Title 42, Chapter 11, Article 3 does your organization claim exemption? 42-11104 A

(Arizona Revised Statutes can be found at: www.azleg.gov)

3. Are there any type of business activities such as snack bars, cafés or restaurants operating on the premises? Yes ☐ No ☒

4. Is the organization exempt from Federal and/or State income taxes?
Yes ☒ No ☐

5. Is the Organization a 501 (C)? Yes ☒ which type 501(C)(3). No ☐

6. Give day, month, and year deed/title was acquired by applicant.
Day 28 Month 4 Year 2011

7. Claimant is: Owner/Operator ☒ Owner only ☐ Operator only ☐

8. Exemption is claimed on:

All land ☒ Buildings & Improvements ☒ Personal Property ☒

9. Is any portion of the property used as a place of residence? Yes ☐ No ☒
If yes, state number of individuals occupying the premises and the duration of the occupancy. _____

10. Does applicant receive any income? (other than free will offerings in connection with this property) Yes ☐ No ☒

11. Is any portion of the property being leased or rented to a non-profit and/or a for-profit organization(s)? Yes ☐ No ☒ If yes, please list the name(s) of the organization(s) _____

12. List date of occupancy: Month 12 Day 27 Year 2005

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Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752258385
Dec. 06, 2017 LTR 4168C 0
86-6056057 000000 00

00016504
BODC: TE

SOUTHERN ARIZONA ASSOCIATION
FOR THE VISUALLY IMPAIRED
% ALAN CLARK
3767 E GRANT RD
TUCSON AZ 85716-2935



023794

Employer ID Number: 86-6056057
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Nov. 27, 2017, regarding your tax-exempt status.

We issued you a determination letter in July of 1966, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

**AMENDED BYLAWS FOR THE
SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED**

1. NAME, ADDRESS, SERVICE AREA, YEAR, SEAL.

- 1.1 The name of this corporation shall be:
THE SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED.
hereinafter referred to as "the association."
- 1.2 The address of the association shall be:
3767 East Grant Road, Tucson AZ 85716
- 1.3 The area served by the association shall be but not limited to:
Southeastern Arizona and Pima County
- 1.4 The fiscal year of the association shall be From July 1 to June 30.

2. STATEMENT OF PURPOSE AND MISSION STATEMENT

2.1 STATEMENT OF PURPOSE

The Southern Arizona Association for the Visually Impaired exists to enhance independence and quality of life for individuals with vision loss.

2.2 MISSION STATEMENT

The Southern Arizona Association for the Visually Impaired is committed to providing dynamic and progressive programs and services to meet the rehabilitation and social needs of individuals with vision loss, promoting individuals to become active participants in determining their success, and raising public awareness through community involvement and establishment of partnerships with others.

3. BOARD OF DIRECTORS

- 3.1 The governance of the corporation, the direction and management of its work, and the control of its property shall be vested in a board of directors. Board members shall receive no compensation for their services but may receive reimbursement for extraordinary expenses incurred in the carrying out of their responsibilities.

3.1.1 DUTIES AND POWERS

- A) The board of directors shall be responsible for determining policy establishing or reaffirming or revising the purpose and mission of the association and setting goals and priorities in the matter of the business of the association.
- B) The board shall be responsible for raising funds for the operation of the association's programs as well as assuring that sufficient funds become available to achieve the purpose of the association.
- C) The board shall be responsible for reviewing and accepting the annual budget and any subsequent revision to the budget.

- D) The Executive Committee shall annually evaluate the performance of the Executive Director using as primary criteria the goals and policies set by the Board. The President shall review the evaluation with the Executive Director, and afterwards review it with Board members at their next regular meeting.
- E) The board shall require reports from the various committees and officers and be finally accountable for the proper and efficient execution of each committee or office.

3.2 COMPOSITION OF THE BOARD OF DIRECTORS

- 3.2.1 The board of directors shall as determined by the board from time to time, consist of ten (10) to twenty (20) directly elected members together with the president, the vice president, the secretary and the treasurer who shall be elected by the board of directors as provided for in Articles 3.3.1, 3.7.2, and 3.8.1 and who shall assume their seats on the board by virtue of their respective offices.
- 3.2.2 Board members and the four officers shall be elected by the incumbent members of the board of directors.
- 3.2.3 Neither employees nor immediate family members of employees nor spouses of sitting board members are eligible for membership on the association's board of directors.

3.3 BOARD MEMBER TERMS OF OFFICE

- 3.3.1 At the regular meeting of the board on the first meeting in the calendar year, those nominated to the Board shall be elected and re-elected. New officers shall be elected and assume their offices. At this same meeting, the board of directors shall act upon the president's committee assignments other than the nominating committee.
- 3.3.2 The president, the vice president, the secretary and the treasurer shall be subject to term of office limitations as provided for in Articles 4.2.1, 4.3.1, and 4.3.2.

3.4 MEETINGS OF THE BOARD OF DIRECTORS

- 3.4.1 Regular meetings of the board of directors shall be held every other month on the last Monday of January, March, May, July, September, and November. The board may provide by resolution the time and place for the holding of additional regular meetings. If the day of a regular meeting falls on a holiday or for some other valid reason the meeting cannot be held, the meeting shall be held on an alternate date set by the president. Notice of regular meetings of the board of directors shall be mailed to each director no later than ten days prior to the day of the meeting.

The executive director of the association shall present the proposed budget and the operational plan for the upcoming year as well as the updated strategic plan for the board's review and acceptance at the regular meeting of the board in August.

July. A preliminary plan and budget shall be presented to the board for their review in the August board meeting.

- 3.4.2 Special meetings of the board of directors may be called by the president or by any three board members. All board members shall be given at least twenty-four (24) hours notice of the special meeting. The notice shall set forth the purpose and/or agenda for the special meeting and the business transacted at the special meeting shall be confined to that which is included in the notice and/or agenda for the meeting, unless every member of the board of directors is present at the time the unspecified item of business is considered and acted upon.

3.5 ORDER OF CHAIRING MEETINGS

- 3.5.1 In the absence of the president or vice president at any meeting of the board of directors or the executive committee, the secretary shall chair the meeting. Should all four officers of the board be absent from the same meeting, the board or the executive committee shall select a temporary chairperson from among its membership to chair that meeting.

3.6 QUORUMS

- 3.6.1 A majority of the members in person shall constitute a quorum for the transaction of business at any regular or special meeting of the board of directors.

3.7 ATTENDANCE, PARTICIPATION AND ORIENTATION REQUIREMENTS

- 3.7.1 Any member of the board who fails for any reason to attend three (3) regular meetings of the board of directors held within a single program year shall be deemed to have resigned from the board of directors. However, the board can use its discretion to excuse such absences where unavoidable and personal circumstances exist.
- 3.7.2 Should illness place a member of the board of directors in default under paragraph 3.7.1 of these bylaws, the board of directors may use its discretion in excusing the excess absences. A board member experiencing prolonged illness shall be expected to resign from the board of directors, but shall be eligible for re-election when his or her circumstances permit full participation once again.
- 3.7.3 To the extent that the number of standing and ad hoc committees permit, all members of the board of directors are expected to participate actively in the work of the board by serving actively on at least one committee that regularly contributes to the work of the board. Any board member who is continuously unable or unwilling to meet this requirement shall be expected to resign from the board.
- 3.7.4 All newly elected members of the board of directors as well as any new members of board committees who are not members of the board of directors shall receive a thorough orientation between the meeting at which they were elected or appointed and the date of the next regular board or committee meeting as the case may be. The orientation will be conducted for new board members by the president

assisted by the executive director. The appropriate committee chairperson shall conduct orientation of new non-board committee members.

3.8 VACANCIES

3.8.1 Any vacancy among the board of directors may be filled by the board of directors for the unexpired term remaining in accordance with the provisions stated in 3.3.1.

3.9 REMOVAL

3.9.1 Except as otherwise provided by statute, any member of the board of directors may be removed for cause at any time by a resolution passed by a two thirds majority of the duly elected membership of the board of directors then in office provided that such board member, prior to his or her removal, shall have received a copy of the charges, delivered personally or by mail at his or her address appearing upon the records of the association at least ten (10) days prior to the adoption of such resolution. An opportunity to be heard on such charges at a meeting of the board of directors called for such purpose shall also be provided.

3.9.2 Any vacancy resulting from the removal of a member of the board of directors for cause shall be filled as provided for in paragraph 3.8.1 of this article.

3.10 EXECUTIVE COMMITTEE

3.10.1 There shall be an executive committee consisting of the president, the vice president, the secretary and the treasurer. The president shall chair meetings of the executive committee.

3.10.2 While the executive committee has the power to act for the board of directors between board meetings, the executive committee shall limit its actions to bona fide emergencies in which there is insufficient time to call a special meeting of the board of directors. The executive committee may not alter the board accepted budget or strategic plan. Neither may it hire, determine the compensation of, nor terminate the services of, the executive director of the association.

3.10.3 The executive committee may meet in person or via a telephone conference call.

3.10.4 A majority of the executive committee then in office shall constitute a quorum for the transaction of business at any meeting of the executive committee.

3.10.5 The executive committee shall report on its meetings to the full board following any meeting of the executive committee at the next regular or special meeting of the full board of directors.

4. OFFICERS OF THE ASSOCIATION

4.1 The officers of the association shall be a president, a vice president, a secretary and a treasurer.

4.2 ELECTION OF OFFICERS

4.2.1 The officers shall be elected by the board of directors as provided for in Articles 3.2.1 and 5.4.1.

4.3 TERMS OF OFFICE FOR OFFICERS

4.3.1 Officers shall be elected for one year terms and shall be eligible to serve two additional one year terms before becoming ineligible to serve in the office again. They shall serve until their successors are duly elected and qualified. A term of less than six months shall be considered as a partial term and shall not be counted in determining eligibility for re-election.

4.3.2 Once one has served as president for three one year terms that person is no longer eligible for election to any office. There shall be no tradition of officer succession for this corporation.

4.4 DUTIES OF OFFICERS

4.4.1 The duties of the officers shall be those that normally pertain to each office.

4.5 VACANCIES

4.5.1 Any vacancy which develops among the officers shall be filled for the remainder of the unexpired term by the board of directors.

4.6 REMOVAL

4.6.1 Any officer may be removed by the board of directors with or without cause. A two thirds majority vote of the board then in office in favor of such removal is required. The resulting vacancy shall be filled as specified in article 3.8.1.

4.7 RE-ELECTION TO THE DIRECTLY ELECTED BOARD

4.7.1 Upon leaving office, former officers who have served as an officer for at least one program year are eligible to be elected once again as members of the directly elected portion of the board of directors for one and possibly two terms of three years each.

5. COMMITTEES

5.1 The board of directors shall have the authority to establish whatever committees as in its judgment may become necessary.

5.2 The president shall appoint all committee chairs and committee members, with the approval of the full board of directors. If possible, the president shall present his or her committee appointments, other than the nominating committee, to the full board for its approval at the annual meeting of the board of directors. If not possible, then this shall be done at the first regular or special meeting following the annual meeting.

5.3 The chairpersons of each standing and ad hoc committee shall be current members of the board of directors. Non-board members may serve as members of all board committees other than the executive and nominating committees.

5.4 The board of directors shall have the following standing committees:

5.4.1 The nominating committee and its chair, consisting of three members of the board of directors, shall be appointed President of the board and approved by the full board of directors. The committee is charged with nominating a slate of officer candidates as well as nominees for seats to be filled on the board of directors.

5.4.2 The strategic planning committee and its chair shall be appointed by the president and approved by the full board of directors and shall include the executive director among its membership. Other staff members may be appointed as members of this committee at the discretion of the board of directors. This committee is charged with conducting a mid program year review of the progress of the implementation of the strategic plan and to make whatever recommendations to the board are appropriate at that time. It is also charged with conducting a thorough prior to year end review of the progress of the strategic plan during the tenth month of the program year and then to make whatever recommendations to the board are appropriate to update the plan for the next full planning period.

5.4.3 The development committee and its chair shall be appointed by the president. This committee is charged with developing plans for raising funds for the association including but not limited to such activities as capital fund drives, annual giving programs, planned giving and any other fund raising activity which involves raising monies from the general public, corporations and foundations. The committee shall provide the leadership in implementing such fund raising activities which shall involve the entire board of directors and appropriate staff persons. Either the executive director or a director of development shall provide staff support to this committee.

5.4.4 The Treasurer shall serve as the chairperson of the Finance Committee, which shall have at least four other members. The Finance Committee shall be responsible for reporting and/or making recommendations on all financial matters to the Board for their review and action. These shall include, but are not limited to, an annual budget, financial status including investments, and an annual independent financial audit of the corporation.

5.5 LIMITATIONS UPON COMMITTEE ACTIONS

5.5.1 Unless specifically instructed to the contrary by the board or these bylaws, standing and ad hoc committees are limited in their powers to formulating recommendations for final decisions by the board of directors.

5.6 COMMITTEE QUORUMS

5.6.1 Quorums for meetings of all committees shall, unless otherwise stated in these bylaws, be a simple majority of the committee's current membership.

6. CONFLICT OF INTEREST

6.1 Whenever a matter comes for consideration before the board of directors in which an officer or director of the association has a financial or other personally beneficial interest or any other association with which an officer or director is affiliated has a financial or other beneficial interest, the interested officer or director shall disclose to the board of directors the relationship or interest in the matter being discussed and shall abstain from voting on such matter. However, the interested director may be counted in determining the presence of a quorum at such meeting where the matter is discussed. The resultant decision made by the board of directors must be fair in every respect to the association.

7. INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 The corporation shall indemnify any and all of its directors, officers, former directors and former officers, to the full extent permitted under applicable law, against all amounts incurred by them and each of them, including but not limited to expenses, legal fees, costs, judgments, fines and amounts paid in settlement which may be actually and reasonably incurred, rendered or levied in any threatened, pending or completed action, suit or proceeding brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of his duties as director or officer of the corporation. Whenever any such director or officer shall report to the president of the Board of Directors that he has incurred or may incur such amounts, the corporation shall, within a reasonable time thereafter, determine in a manner consistent with applicable law whether, in regard to the matter involved, such person acted or failed to act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful. If the corporation so determines that such person acted or failed to act in such a manner with regard to the matter involved, indemnification shall be mandatory and shall be automatically extended as specified herein; provided, however, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall not offer the corporation the opportunity, at its own expense and through counsel of its own choosing, to defend him in the action, suit or proceeding. Nothing contained herein is intended to limit any right of indemnification or other rights otherwise provided by Arizona law.

8. AMENDMENTS

8.1 Amendments to the Articles of Incorporation may be proposed by any board member at any board meeting and if approved by a majority of the board members will be presented

to the members of the association at an annual or at a special meeting called for this purpose. A quorum being present at this meeting, an affirmative vote of two thirds of those members present and voting is required to adopt the amendment. The adopted amendment will be filed with the Arizona Corporation Commission and immediately incorporated in its proper place in the Articles of Incorporation master document.

- 8.2 An amendment to these bylaws may be proposed at any regular meeting of the board of directors. If there is general agreement that the proposed amendment has merit, it is to be immediately put in final form and mailed to the full board of directors. At the next regular meeting of the board, a quorum being present, the board will vote upon the amendment. Approval of the amendment shall require the affirmative vote of at least 51% of the full board currently in office. All such bylaw amendments shall be immediately incorporated into the master bylaws document in their proper locations.

9. DATE OF ADOPTION AND AMENDMENT LOG

9.1 These bylaws were adopted July 21, 1997

9.2 These bylaws were last amended on November 18, 2002.

9.3 These bylaws were last amended on March 22, 2010.

9.4 These bylaws were last amended on August 26, 2013.

9.5 These bylaws were last amended on February 24, 2014.

- end bylaws -

Approved as amended by:

original signed copy on file-----
John Hart, Secretary of the Board Date

**THIRD AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED**

1. The name of the corporation is the Southern Arizona Association for the Visually Impaired.
2. The Third Amended and Restated Articles of Incorporation are attached hereto as Exhibit A.
3. It is hereby certified that the adoption of the Third Amended and Restated Articles of Incorporation required approval by the Board of Directors , which approval was given on March 22, 2010.

DATED this _____ day of _____, _____

Ray Mungaray, Board Chair

Date

EXHIBIT A

THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION OF SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED

We, the undersigned, associate ourselves together to form a non-profit private corporation under the laws of the State of Arizona and for that purpose adopt the following Articles of Incorporation.

ARTICLE I - CORPORATE NAME

The name of this Corporation shall be Southern Arizona Association for the Visually Impaired.

ARTICLE II - PLACE OF BUSINESS

The principal office and place of transacting the business of the Corporation shall be 3767 E. Grant Rd., Tucson, AZ 85716; however, its Board of Directors may meet for the transaction of business at such other places within or without the State of Arizona as the Directors may from time to time designate.

ARTICLE III - PURPOSE

The purpose for which this Corporation is organized is the transaction of any and all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time. Said Corporation is organized exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, including for such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code. To the extent that the following conforms to such charitable, scientific and educational purposes, the general nature of the business to be transacted by the Corporation is more specifically to provide rehabilitation programs with appropriate social and recreation activities in order to enhance the dignity and self-worth of blind or visually impaired persons by providing opportunities for them to reach optimum levels of functioning, to develop optimum social-skills and to reach optimum levels of independence; the purchase, lease, and possession of land and buildings for such purposes; and to raise money by any legal means to promote such activities. At all times the programs and activities of the Corporation shall be carried out in a non-discriminatory manner with due regard for the legal and human rights of the persons served. The foregoing enumeration of special powers shall not be deemed to limit or restrict the general powers of the Corporation and the enjoyment and exercise thereof, as conferred by the laws of the State of Arizona under which this Corporation is incorporated.

ARTICLE IV - INITIAL BUSINESS

The character of the business that the Corporation initially intends to conduct in this State is to take all such actions as may be appropriate to accomplish the purposes set forth above.

ARTICLE V - POWERS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

ARTICLE VI - MEMBERSHIP

The Corporation is not authorized to have members.

ARTICLE VII - LIQUIDATION

Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets shall be distributed to a non-profit fund, foundation, or corporation, which is organized and operated exclusively for the support of and promotion of visually impaired individuals as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, as the Board of Directors shall determine. Any assets not disposed of shall be disposed of by the Superior Court of the County in which the principal office of the Corporation is then located exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VIII - BOARD OF DIRECTORS

The affairs of the Corporation shall be conducted by a Board of Directors whose number and term shall be provided in the Bylaws of the Corporation. The Board of Directors, or any member thereof, may be removed at any time, as more fully described in the Bylaws of the Corporation. The names of the Board of Directors are updated from

year to year and kept on file with the Executive Director at 3767 E. Grant Rd., Tucson, AZ 85716. The Board of Directors shall serve as the directors until the next annual meeting of the Board of Directors, or until their successors are duly elected and qualified. Except as otherwise provided in these Articles of Incorporation, the Board of Directors, by a majority vote of those present at a duly-convened meeting, shall have the power to adopt, amend and rescind the Bylaws for the governing of the Corporation, to fill vacancies occurring in the Board of Directors, or in the offices of the Corporation, from any cause, and to designate such powers and duties for said officers as they may be prescribed.

ARTICLE IX - EXEMPTION OF PRIVATE PROPERTY

The incorporators, directors, officers, employees and agents of the Corporation and their property shall be forever exempt from liability or assessment for its debts, obligations or engagements.

ARTICLE X - INDEMNIFICATION

The Corporation may indemnify any person against liability and expenses, including without limitation, attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably suffered or incurred by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity, in all circumstances in which, and to the extent that, such indemnification is permitted by A.R.S. §§ 10-3851 and 10-3856, as such provisions may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code. Any indemnification hereunder shall be made by the Corporation only as authorized by the Board of Directors pursuant to A.R.S. § 10-3855, as it may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code.

ARTICLE XI - DIRECTOR LIABILITY

The personal liability of the directors to the Corporation for monetary damage for any action taken or any failure to take any action as a director is eliminated to the fullest extent permitted by A.R.S. § 10-3202(B)(1), as it may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code.

ARTICLE XII - STATUTORY AGENT

The name and address of the Statutory Agent is Michael R. Urman, DeConcini McDonald Yetwin & Lacy, P.C., 2525 E. Broadway Blvd., #200, Tucson, AZ 85716. The Board of Directors may, at their option, revoke such appointment and shall have the power to fill such vacancy.

ARTICLE XIII - AMENDMENTS

These Articles of Incorporation may be amended from time to time only by a majority vote of the Board of Directors of the Corporation present, in accordance with procedures set forth in the By-Laws of the Corporation, at a duly convened meeting called for that purpose, if a quorum is present and a notice is given if so specified in the By-Laws of the Corporation.

ARTICLE XIV – INDEBTEDNESS

No indebtedness or liability shall be incurred unless authorized by the Board of Directors and in no event shall the total indebtedness or liability, direct or contingent, exceed the sum of five hundred thousand (\$500,000), unless approved by a majority of the Board of Directors then serving at a duly convened meeting.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED

AUDITED FINANCIAL STATEMENTS
Year ended June 30, 2018



JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
AUDITED FINANCIAL STATEMENTS
Year ended June 30, 2018

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JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern Arizona Association for the Visually Impaired
Tucson, Arizona

I have audited the accompanying financial statements of Southern Arizona Association for the Visually Impaired (an Arizona nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Arizona Association for the Visually Impaired as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Jennifer J. Phillips, CPA, PLLC

JENNIFER J. PHILLIPS, CPA, PLLC
Tucson, Arizona

April 2, 2019

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

Cash and cash equivalents	\$ 441,545
Investments - Note 3	709,656
Contracts and program service fees receivable	1,343,529
Bequest receivable - Note 15	266,013
Other receivables	6,056
Prepaid expenses and other assets	79,299
Client equipment inventory	34,752
Land held for investment - Note 3	11,129
Property and equipment - Notes 4, 5, 6 and 7	<u>828,752</u>
	<u>\$ 3,720,731</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 114,417
Accrued payroll and other expenses	105,567
Accrued vacation payable	175,056
Accrued lease liability - Note 11	29,072
Custodial liabilities	6,187
Line of credit - Note 5	125,000
Notes payable - Note 6	35,892
Capital lease obligations - Note 7	<u>10,830</u>
	602,021

Net assets:

Unrestricted:

Available for operations	2,022,574
Expended for property and equipment and land held for investment	<u>668,159</u>
	2,690,733
Temporarily restricted - Notes 8 and 10	283,885
Permanently restricted - Notes 9 and 10	<u>144,092</u>
	3,118,710

\$ 3,720,731

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF ACTIVITIES
Year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues and support:				
Contract revenue	\$ 7,165,051	\$ -	\$ -	\$ 7,165,051
Less: match requirement	(385,662)	-	-	(385,662)
	<u>6,779,389</u>	<u>-</u>	<u>-</u>	<u>6,779,389</u>
Contributions	100,610	-	-	100,610
Bequests - Note 15	-	266,013	-	266,013
Program service fees	14,509	-	-	14,509
Investment income - Note 3	53,916	9,804	-	63,720
Equipment sales	3,976	-	-	3,976
Loss on sale of equipment	(3,308)	-	-	(3,308)
Other revenue	1,119	-	-	1,119
	<u>6,950,211</u>	<u>275,817</u>	<u>-</u>	<u>7,226,028</u>
Net assets released from restrictions	11,156	(11,156)	-	-
Total revenues and support	<u>6,961,367</u>	<u>264,661</u>	<u>-</u>	<u>7,226,028</u>
Expenses:				
Program services	6,089,281	-	-	6,089,281
Management and general	870,134	-	-	870,134
Fundraising	156,366	-	-	156,366
Total expenses	<u>7,115,781</u>	<u>-</u>	<u>-</u>	<u>7,115,781</u>
Change in net assets	(154,414)	264,661	-	110,247
Net assets, beginning of year	<u>2,845,147</u>	<u>19,224</u>	<u>144,092</u>	<u>3,008,463</u>
Net assets, end of year	<u>\$ 2,690,733</u>	<u>\$ 283,885</u>	<u>\$ 144,092</u>	<u>\$ 3,118,710</u>

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2018

	<u>Program services</u>					
	<u>Rehabilitation and employment services</u>	<u>Develop-mental disability services</u>	<u>Total</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 3,312,395	\$ 183,270	\$ 3,495,665	\$ 469,660	\$ 105,881	\$ 4,071,206
Payroll taxes	270,057	15,572	285,629	37,976	8,644	332,249
Employee benefits	522,156	38,479	560,635	67,495	12,616	640,746
Total personnel	4,104,608	237,321	4,341,929	575,131	127,141	5,044,201
Bank service charges	33	-	33	4,304	36	4,373
Building repairs	52,523	3,453	55,976	7,823	2,041	65,840
Client assistance	178,801	-	178,801	-	-	178,801
Depreciation	182,199	13,687	195,886	24,009	4,488	224,383
Dues and subscriptions	1,654	-	1,654	4,568	-	6,222
Equipment expenses	105,867	2,132	107,999	5,826	699	114,524
Insurance	34,873	2,620	37,493	4,595	859	42,947
Interest expense	1,001	-	1,001	7,327	-	8,328
Investment fees	-	-	-	6,758	-	6,758
Meetings and conferences	39,360	-	39,360	28,856	-	68,216
Occupancy	365,528	13,774	379,302	20,597	11,807	411,706
Other expenses	2,492	-	2,492	7,375	-	9,867
Postage and reproduction	837	-	837	4,023	-	4,860
Professional services	26,216	10,686	36,902	61,317	588	98,807
Program equipment	122,761	-	122,761	-	-	122,761
Public relations/advertising	-	-	-	624	4,673	5,297
Rent for client housing	182,049	-	182,049	-	-	182,049
Supplies	135,328	11,036	146,364	39,364	1,041	186,769
Travel	128,180	-	128,180	58,382	-	186,562
Vehicle expense	121,134	9,128	130,262	16,013	2,993	149,268
Total functional expenses	5,785,444	303,837	6,089,281	876,892	156,366	7,122,539
Less: investment fees	-	-	-	(6,758)	-	(6,758)
	<u>\$ 5,785,444</u>	<u>\$ 303,837</u>	<u>\$ 6,089,281</u>	<u>\$ 870,134</u>	<u>\$ 156,366</u>	<u>\$ 7,115,781</u>

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
STATEMENT OF CASH FLOWS
Year ended June 30, 2018

Cash flows from operating activities:	
Change in net assets	\$ 110,247
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	224,383
Loss on sale of equipment	3,308
Change in value - land held for investment	(50)
Unrealized (gains) on investments	(49,333)
(Increase) decrease in operating assets:	
Contracts and program service fees receivable	(530,373)
Bequest receivable	(266,013)
Other receivables	2,998
Prepaid expenses and other assets	102,967
Client equipment inventory	23,982
Increase (decrease) in operating liabilities:	
Accounts payable	(125,786)
Accrued payroll and other expenses	(57,342)
Accrued vacation payable	(14,242)
Accrued lease liability	11,482
Custodial liabilities	340
Net cash (used in) operating activities	(563,432)
Cash flows from investing activities:	
Purchases of property and equipment	(65,295)
Proceeds from sale of equipment	5,306
Purchases of investments and reinvested dividends	(190,224)
Proceeds from sale of investments	775,670
Net cash provided by investing activities	525,457
Cash flows from financing activities:	
Borrowings on line of credit	250,000
Repayments of line of credit	(175,000)
Repayments of notes payable	(20,566)
Repayments on capital lease obligations	(7,305)
Net cash provided by financing activities	47,129
Net change in cash and cash equivalents	9,154
Cash and cash equivalents, beginning of year	432,391
Cash and cash equivalents, end of year	\$ 441,545

Supplemental disclosure:

Cash paid for interest	\$ 8,328
No cash paid for income taxes.	

See Accompanying Notes.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – Nature of operations

The Southern Arizona Association for the Visually Impaired's (SAAVI's) mission is to provide dynamic and progressive programs and services to meet the rehabilitation and social needs of individuals with vision impairment, promoting individuals to become active participants in determining their success, and raising public awareness through community involvement and establishment of partnerships with others. Funding is received principally from private donors and from vendor contracts with the State of Arizona Department of Economic Security.

SAAVI's two major programs are:

- Rehabilitation and employment services, which provide rehabilitation skills, computer, and job search skills to adults who have vision loss; and
- Developmental disability services, which provides individual and group counseling to strengthen social and communication skills and promote participant autonomy.

NOTE 2 – Summary of significant accounting policies

Financial statement presentation

Under generally accepted accounting principles, SAAVI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

SAAVI considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair market value. Donated investments are recorded at their fair market value at the date of gift.

Contracts and program fees receivable

Contracts and program fees receivable are stated at the amount management expects to collect from various governmental entities on outstanding balances. All receivables are due within one year. These amounts contain no collateral provisions for collection.

Client equipment inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market except for donated inventory which is valued at the fair value at the date of donation. Inventory consists of visual aids purchased for issuance to clients enrolled in rehabilitation programs.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 2 – Summary of significant accounting policies – continued

Property and equipment

SAAVI capitalizes all expenditures for property and equipment in excess of \$1,000 and/or aggregate of \$3,000 for like equipment with a useful life of two years or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

SAAVI reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. SAAVI has determined that there were no indicators of asset impairment during the year ended June 30, 2018.

Vacation pay

Vacation pay is accrued as a liability when earned by the employees since the employees receive vested rights to this benefit.

Custodial liabilities

Custodial liabilities consist of funds SAAVI is holding for participants in the developmental disabilities program to be used toward program activity expenses and funds held for social clubs.

Fair value measurements

Fair value measurements are determined based on the assumptions—referred to as inputs—that market participants would use in pricing the asset or liability. A fair value hierarchy distinguishes between market participant assumptions and SAAVI's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are SAAVI's own assumptions about what market participants would assume based on the best information available in the circumstances.

Level 1 inputs. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value.

Level 2 inputs. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. They include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates or yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. These inputs reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

Endowments

SAAVI's endowments consist of funds established by donor restriction. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 2 – Summary of significant accounting policies – continued

The State of Arizona adopted the Management of Charitable Funds Act (the Act). The Board of Directors of SAAVI has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SAAVI classifies as permanently restricted net assets (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 at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, SAAVI considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

Revenue and revenue recognition

Revenue is recognized when earned. Program service fees and payments received under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities, an unconditional pledge or other assets are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets in accordance with generally accepted accounting principles.

Donated goods and services

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

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although SAAVI uses the services of volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 2 – Summary of significant accounting policies – continued

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising costs

Advertising costs are expensed as incurred.

Income tax status

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

Management of SAAVI considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the organization's status as a not-for-profit entity. Management believes that SAAVI met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. Accordingly, SAAVI has not filed an *Exempt Organization Business Income Tax Return* (Form 990-T) with the Internal Revenue Service (IRS) for the year ended June 30, 2018. SAAVI's Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the IRS for three years after the date the return was filed.

Financial instruments and credit risk

SAAVI manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, SAAVI has not experienced losses in any of these accounts. As of June 30, 2018, uninsured cash totaled \$11,735.

Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believes that the investment policies and guidelines are prudent for the long-term welfare of the organization. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that such changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of SAAVI's mission; however, there is a potential credit risk and accounting loss that could occur if all parties to the receivables fail to perform their obligations for the stated amounts.

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 3 – Investments/fair value measurements

Investments consisted of exchange-traded funds (ETFs) in the amount of \$709,656 at June 30, 2018. The fair values of assets measured on a recurring basis at June 30, 2018 were as follows:

	Level 1	Level 3	Total
ETFs	\$ 709,656	\$ -	\$ 709,656
Land held for investment	-	11,129	11,129
	<u>\$ 709,656</u>	<u>\$ 11,129</u>	<u>\$ 720,785</u>

Changes in Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs were as follows for the year ended June 30, 2018:

Beginning balance	\$ 11,079
Change in value	50
Ending balance	<u>\$ 11,129</u>

Valuation techniques

The fair value of SAAVI's marketable securities are determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions. The fair value of land held for investment was determined using the property tax value of the land.

There were no changes in valuation techniques during the year ended June 30, 2018. Determinations of transfers between levels are made on an annual basis at year-end. There were no transfers between levels for the year ended June 30, 2018.

Investment income consisted of the following for the year ended June 30, 2018:

Interest and dividend income	\$ 21,145
Unrealized gains	49,333
Investment fees	(6,758)
	<u>\$ 63,720</u>

NOTE 4 – Property and equipment

Property and equipment consisted of the following at June 30, 2018:

Land and improvements	\$ 236,578
Buildings and improvements	1,178,411
Leasehold improvements	125,756
Furniture, fixtures and equipment	679,639
Vehicles	673,375
	<u>2,893,759</u>
Less accumulated depreciation	(2,065,007)
	<u>\$ 828,752</u>

NOTE 5 – Line of credit payable

SAAVI has a revolving \$300,000 line of credit with a financial institution to be drawn as needed, secured by accounts receivable and equipment. The outstanding balance on this line of credit was \$125,000 at June 30, 2018. Any outstanding principal bears interest equal to the 30-day LIBOR plus 3% (5.53% at June 30, 2018).

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 6 – Notes payable

SAAVI has entered into six note payable agreements collateralized by vehicles, with interest rates ranging from 0% to 5.29%, monthly payments ranging from \$245 to \$320, maturing through 2021. Future minimum payments under the notes payable are as follows:

Year ended June 30, 2019	\$	17,343
2020		14,127
2021		4,422
	\$	<u>35,892</u>

NOTE 7 – Capital lease obligations

In 2015, SAAVI leased two vehicles under capital leases. The outstanding obligation on the leases was \$10,830 at June 30, 2018. The economic substance of the lease is that SAAVI is financing the acquisition of the assets through the lease, and accordingly, they are recorded in SAAVI's assets and liabilities. Amortization of the leased assets is included in depreciation expense. The original cost of the vehicles was recorded at \$40,772, and the net book value of the assets was \$0 at June 30, 2018. Future minimum payments related to non-cancelable capital leases are as follows:

Year ended June 30, 2019	\$	10,978
Less: imputed interest		(148)
	\$	<u>10,830</u>

NOTE 8 – Temporarily restricted net assets

Temporarily restricted net asset activity was as follows for the year ended June 30, 2018:

	Beginning balance	Contributions	Investment income	Appropriations/ releases	Ending balance
Program restrictions:					
Vision care center	\$ 156	\$ -	\$ -	\$ (156)	\$ -
NFB's Bell Academy	11,000	-	-	(11,000)	-
Bequest - timing	-	266,013	-	-	266,013
Endowment earnings:					
Scholarships	8,068	-	9,527	-	17,595
Operations	-	-	277	-	277
	<u>8,068</u>	<u>-</u>	<u>9,804</u>	<u>-</u>	<u>17,872</u>
	<u>\$ 19,224</u>	<u>\$ 266,013</u>	<u>\$ 9,804</u>	<u>\$ (11,156)</u>	<u>\$ 283,885</u>

NOTE 9 – Permanently restricted net assets

Permanently restricted net assets activity consisted of the following for the year ended June 30, 2018:

	6/30/2017	Additions	6/30/2018
Scholarships	\$ 139,556	\$ -	\$ 139,556
Operations	4,536	-	4,536
	<u>\$ 144,092</u>	<u>\$ -</u>	<u>\$ 144,092</u>

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 10 – Endowments

Funds with deficiencies

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 the Act requires SAAVI to retain as a fund of perpetual duration. Accumulated deficiencies of this nature were \$0 at June 30, 2018.

Return objectives and risk parameters

SAAVI has adopted investment policies including those for endowment assets that attempt to preserve the capital, preserve the purchasing power, and achieve long-term growth of capital of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, all assets including endowment assets are invested in a manner that is intended to produce results that exceed various external benchmarks while assuming a moderate level of investment risk.

Investment strategies

To satisfy its long-term rate-of-return objectives, SAAVI 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). SAAVI targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending policy

At the beginning of each fiscal year, the Finance Committee recommends the distribution percentage to be utilized for that year for all endowments, which is then approved by SAAVI's Board of Directors. For scholarships, the distribution percentage is utilized to withdraw funds twice during the year. Scholarship awards are approved by the Board of Directors based on recommendations of the Finance Committee. For the operating endowment, the distribution percentage is utilized to determine the amount available for withdrawal, and the Board approves how the funds will be spent.

Endowment fund net assets

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Beginning balance	\$ (33)	\$ 8,068	\$ 144,092	\$ 152,127
Interest and dividend income	33	3,289	-	3,322
Unrealized gains on investments	-	7,714	-	7,714
Investment fees	-	(1,199)	-	(1,199)
Ending balance	\$ -	\$ 17,872	\$ 144,092	\$ 161,964

NOTE 11 – Operating leases

SAAVI leases office space in Yuma, Arizona and in Phoenix, Arizona, as well as apartments for client programming. In addition, SAAVI leases equipment under non-cancelable operating leases, with expiration dates ranging from August 2020 to September 2020. The office lease calls for escalating rent payments over the lease period, and generally accepted accounting principles require that rent expense be recognized straight-line over the term of the lease. In the beginning of a lease term requiring escalating payments, recognizing this expense in accordance with generally accepted

SOUTHERN ARIZONA ASSOCIATION FOR THE VISUALLY IMPAIRED
NOTES TO FINANCIAL STATEMENTS - continued
June 30, 2018

NOTE 11 – Operating leases – continued

accounting principles will result in accrued lease liability on the statement of financial position. The accrued lease liability was \$29,072 for the year ended June 30, 2018. Total lease expense was \$476,791 for the year ended June 30, 2018. Future minimum lease payments under the operating leases are as follows:

Year ended June 30, 2019	\$	274,000
2020		246,661
2021		265,678
2022		67,124
	\$	<u>853,463</u>

NOTE 12 – Retirement benefits

SAAVI sponsors a SIMPLE IRA retirement plan. All regular full-time and part-time employees are eligible to participate in the plan, and SAAVI matches employee contributions up to 3% of the employee's salary. Funds deposited into the plan are immediately 100% vested. Total retirement expense was \$72,937 for the year ended June 30, 2018.

NOTE 13 – Contingencies

SAAVI has eight vehicles substantially paid for by the Arizona Department of Transportation (ADOT). Five vehicles were received during the year ended June 30, 2016, one vehicle was received during the year ended June 30, 2017, and two vehicles were received during the year ended June 30, 2018. ADOT has placed a lien on each of the vehicles that will remain in effect throughout the useful life of the vehicle, or until the remaining asset value is less than \$5,000, but in either case for not less than 100,000 miles. Vehicles should be used in the manner they were prescribed until they reach the end of their useful lives. If the vehicles are sold in excess of \$5,000, the federal share must be returned to ADOT.

NOTE 14 – Concentrations

At June 30, 2018, the majority of contracts and program service fees receivable were due from one funding source (Arizona Department of Economic Security), representing 99% of total receivables. For the year ended June 30, 2018, revenue from that funding source constituted 92% of total revenues and support.

NOTE 15 – Subsequent events

Subsequent to year-end, SAAVI received notification that they had been named the beneficiary of a bequest of cash and cash equivalents prior to year-end. As the amounts to be received are probable and estimable, they are recorded as bequests receivable as of June 30, 2018.

Subsequent events have been evaluated through April 2, 2019, which is the date the financial statements were available to be issued.