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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No 1545-0052

2008

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2008, or tax year beginning **October 1**, 2008, and ending **September 30**, 20 **09**G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

Community Finance Corporation

Number and street (or P.O. box number if mail is not delivered to street address)

335 N. Wilmot Rd.

Room/suite

420

City or town, state, and ZIP code

Tucson, Arizona 85711

A Employer identification number

86 0683138

B Telephone number (see page 10 of the instructions)

(520) 623-3377C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test,
check here and attach computation ☐E If private foundation status was terminated
under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ☐H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end
of year (from Part II, col. (c),
line 16) **\$ 992,829,161**J Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)**Part I Analysis of Revenue and Expenses** (The total of
amounts in columns (b), (c), and (d) may not necessarily equal
the amounts in column (a) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check ☐ if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	2,895	2,895	2,895	
4 Dividends and interest from securities	2,276,998	2,276,998	2,276,998	
5a Gross rents	88,277,211	88,277,211	88,277,211	
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule) Sch. #1	(3,439,701)	4,105,092	(3,439,701)	
12 Total. Add lines 1 through 11	87,117,403	94,662,196	87,117,403	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) Sch. #2	33,100	33,100	33,100	
c Other professional fees (attach schedule) Sch. #3	67,234,662	67,234,662	67,234,662	
17 Interest	19,181,421	19,181,421	19,181,421	
18 Taxes (attach schedule) (see page 14 of the instructions)				
19 Depreciation (attach schedule) and depletion Sch. #6	3,551,482	3,551,482	3,551,482	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) Sch. #4	4,414,323	4,414,323	4,414,323	
24 Total operating and administrative expenses. Add lines 13 through 23				
25 Contributions, gifts, grants paid	100,000			100,000
26 Total expenses and disbursements. Add lines 24 and 25	94,514,988	94,414,988	94,414,988	
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	(7,397,585)			
b Net investment income (if negative, enter -0-)		247,208		
c Adjusted net income (if negative, enter -0-)			0	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

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Form **990-PF** (2008)

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	489,091	1,086,387	1,086,387
	2 Savings and temporary cash investments	114,464,678	167,337,342	167,337,342
	3 Accounts receivable ▶ 138,816			
	Less: allowance for doubtful accounts ▶ 0	434,140	138,816	138,816
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	165,278	688,850	688,850
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	358,499,388	670,456,342	670,456,342
	14 Land, buildings, and equipment basis ▶ 123,220,328			
	Less: accumulated depreciation (attach schedule) ▶ 3,749,716	99,383,819	119,470,612	119,470,612
	15 Other assets (describe ▶ Schedule #7)	27,160,461	33,650,812	33,650,812
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	600,596,855	992,829,161	992,829,161
	17 Accounts payable and accrued expenses	22,606,487	34,371,362	
Net Assets or Fund Balances	18 Grants payable			
	19 Deferred revenue	816,013	1,812,820	
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule) ▶ 577,251,681		964,119,890	
	22 Other liabilities (describe ▶)			
Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.	23 Total liabilities (add lines 17 through 22)	600,674,181	1,000,304,072	
	24 Unrestricted	(77,326)	(7,474,911)	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)	(77,326)	(7,474,911)	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	600,596,855	992,829,161	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	(77,326)
2 Enter amount from Part I, line 27a	2	(7,397,585)
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	(7,474,911)
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	(7,474,911)

Part IV Capital Gains and Losses for Tax on Investment Income N/A

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7
If (loss), enter -0- in Part I, line 7 } 2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions).
If (loss), enter -0- in Part I, line 8 } 3

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007	43,541	399,647	.10894865
2006	26,673	277,265	.09620039
2005	24,401	220,652	.11058590
2004	12,160	114,536	.10616749
2003	0	99,297	0

2 Total of line 1, column (d)	2	.42190243
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.08438049
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	650,485
5 Multiply line 4 by line 3	5	54,888
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2.472
7 Add lines 5 and 6	7	57,360
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	100,000

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling letter: (attach copy of ruling letter if necessary—see instructions)	1	2,472
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	2,472
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	2,472
6	Credits/Payments.		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	1,902
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	570
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	2,472
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2009 estimated tax ☐ Refunded ☐	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation. ▶ \$ (2) On foundation managers. ▶ \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		✓
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	✓	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>Arizona</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		✓
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		✓

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶				
14	The books are in care of ▶ Corporation	Telephone no ▶	520-623-3377	
	Located at ▶ 335 N. Wilmot Rd. Ste. #420 Tucson, Arizona	ZIP+4 ▶	85711	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	15		0

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b	✓
Organizations relying on a current notice regarding disaster assistance check here ☐		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	1c	✓
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? ☐ Yes ☒ No		
If "Yes," list the years ▶ 20....., 20....., 20....., 20.....		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.)	2b	✓
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20.., 20.., 20.., 20..		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.)	3b	✓
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b	✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53.4945–5(d)
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
If you answered "Yes" to 6b, also file Form 8870.
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No
- b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

5b		✓
6b		✓
7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Schedule #9				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
GEO Group, Inc. 1819 Main Suite #1000 Sarasota, Florida 34236	Facilitie Management Fees	6,178,110
Management & Training Corporation 500 North Marketplace Drive Centerville, Utah 84014	Facilitie Management Fees	5,293,578
GEO Group, Inc. 1819 Main Suite #1000 Sarasota, Florida 34236	Facilitie Management Fees	1,531,105
North Marq Real Estate Services, LLC 1110 W. Washington #110 Phoenix, AZ 85007	Facilitie Management Fees	261,976
Business Development Finance Corporation 335 N. Wilmot Rd. Suite #420 Tucson, AZ 85711	Administrative Fees	183,156
Total number of others receiving over \$50,000 for professional services		9

Part IX-A Summary of Direct Charitable Activities

N/A

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

N/A

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.) **SCH #1D**

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	
b	Average of monthly cash balances	1b	660,391
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	660,391
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	660,391
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	9,906
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	650,485
6	Minimum investment return. Enter 5% of line 5	6	32,524

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6	1	32,524
2a	Tax on investment income for 2008 from Part VI, line 5	2a	2,472
b	Income tax for 2008. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,472
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	30,052
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	30,052
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	30,052

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	100,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	100,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	2,472
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	97,528

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				30,052
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003				
b From 2004				
c From 2005				14,221
d From 2006				16,146
e From 2007				27,363
f Total of lines 3a through e	57,730			
4 Qualifying distributions for 2008 from Part XII, line 4: ► \$ <u>100,000</u>				
a Applied to 2007, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2008 distributable amount				30,052
e Remaining amount distributed out of corpus	69,948			
5 Excess distributions carryover applied to 2008. (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:	127,678			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	127,678			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				14,221
c Excess from 2006				16,146
d Excess from 2007				27,363
e Excess from 2008				69,948

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling 
- b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash		✓
	(2) Other assets		✓
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		✓
	(2) Purchases of assets from a noncharitable exempt organization		✓
	(3) Rental of facilities, equipment, or other assets		✓
	(4) Reimbursement arrangements		✓
	(5) Loans or loan guarantees		✓
	(6) Performance of services or membership or fundraising solicitations	✓	
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If “Yes,” complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.				
Sign Here	 Signature of officer or trustee Date 12/26/10 X President			
Paid Preparer's Use Only	Preparer's signature 	Date 7/23/10	Check if self-employed ☒	Preparer's identifying number (see Signature on page 30 of the instructions) 501-78-9984
	Firm's name (or yours if self-employed), address, and ZIP code Ronald D. Kovar Jr. CPA 7838 E. Linden Ct. Tucson, AZ 85715		EIN 12-1234567	Phone no (520) 722-3643

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Schedule #1, Page 1, Part I, Line 11, "Other Income":

	Column a	Column b	Column c
Administrative Fees	467,162	467,162	467,162
Add back of loss from Project/Trust Funds		7,544,793	
Loss on defeased notes payable	(4,171,251)	(4,171,251)	(4,171,251)
Unrealized loss on investments	(159,692)	(159,692)	(159,692)
Other income	424,080	424,080	424,080
Other Income	<u>(3,439,701)</u>	<u>4,105,092</u>	<u>(3,439,701)</u>

The loss from Project/Trust funds is used for the Corporation's charitable purposes, which is the purpose of lessening the burdens of government and to erect, finance the erection of, or maintain public buildings, monuments, or works. The loss from Project/Trust funds is added back in column b in other income in order to avoid distorting the amount of net investment income in Line 27b that is subject to excise tax on this return.

The loss on defeased notes payable represents the refinancing on a series of notes payable to secure financing for an expanded project. The loss from this refinancing is used for the Corporation's charitable purposes, which is the purpose of lessening the burdens of government and to erect, finance the erection of, or maintain public buildings, monuments, or works.

Unrealized loss on investments represents the decline in the market value of investments over the original cost of the investments. This loss is used for the Corporation's charitable purposes and is offset by an increase in lease income or gross rent, as the Corporation's non charitable purposes are not financially liable for market declines in these investments

Schedule #2, Page 1, Part I, Line 16b, "Accounting Fees":

Accounting fees	<u>33,100</u>
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Accounting fees represent charges for accounting writeup and preparation of the Form 990-PF for fiscal year ended September 30, 2008 and accounting support during the fiscal year ended September 30, 2009.

Schedule #3, Page 1, Part I, Line 16c, "Other Professional Fees":

Legal, professional, and trustee fees	475,852	
Management fees	183,156	
Facilitie management fees and operating costs	66,575,654	Related to exempt activities
	<u>67,234,662</u>	

Schedule #4, Page 1, Part I, Line 23, "Other Expenses":

Amortization	997,861
Facilities expenses	2,618,240
Ground lease rent	37,599
Other expenses	2,136
Repairs and maintenance	162,295
Real estate taxes	596,192
	<u>4,414,323</u>

Amortization represents costs associated with the issuance of notes payable. These costs were incurred in December 2000, December 2001, July 2002, November 2002, December 2002, April 2004, February 2006, September 2007, February 2008, November 2008, and September 2009 and are being amortized on a straight line basis over a period of 26 75 years or 321 months, 26.83 years or 322 months, 19.92 years or 239 months, 29.75 years or 357 months, 19.83 years or 238 months, 11.17 years or 134 months, 19.67 years or 236 months, 34 75 years or 417 months, 31.58 years or 379 months, 16.46 years or 198 months, and 31 83 years or 382 months, respectively.

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Schedule #4, Page 1, Part I, Line 23, "Other Expenses" (Continued):

Amount amortized for note #1	3,540,359
Amortization for fiscal 2009	<u>160,925</u>
Total amortization at 9/30/09	<u>643,702</u>
Amount amortized for note #2	734,274
Amortization for fiscal 2009	<u>27,365</u>
Total amortization at 9/30/09	<u>214,356</u>
Amount amortized for note #3	1,150,303
Amortization for fiscal 2009	<u>57,746</u>
Total amortization at 9/30/09	<u>413,847</u>
Amount amortized for note #5	667,702
Amortization for fiscal 2009	<u>22,444</u>
Total amortization at 9/30/09	<u>155,236</u>
Amount amortized for note #7	1,135,589
Amortization for fiscal 2009	<u>57,266</u>
Total amortization at 9/30/09	<u>386,547</u>
Amount amortized for note #9	2,187,868
Amount removed for refinanced loan in 2009	<u>(2,187,868)</u>
Balance for note #9 after refinancing	<u>0</u>
Amortization for fiscal 2009	<u>24,484</u>
Total amortization at 10/01/08 for note #9	881,415
Amortization for fiscal 2009	<u>24,484</u>
Amount removed for refinanced loan in 2009	<u>(905,899)</u>
Total amortization at 9/30/09 for note #9	<u>0</u>
Amount amortized for note #12	3,971,695
Amortization for fiscal 2009	<u>201,916</u>
Total amortization at 9/30/09	<u>740,360</u>
Amount amortized for note #14	7,051,313
Amortization for fiscal 2009	<u>201,466</u>
Total amortization at 9/30/09	<u>453,299</u>
Amount amortized for note #18	2,353,394
Amortization for fiscal 2009	<u>74,522</u>
Total amortization at 9/30/09	<u>124,203</u>
Amount amortized for note #19	4,309,784
Amortization for fiscal 2009	<u>229,105</u>
Total amortization at 9/30/09	<u>229,105</u>
Amount amortized for note #20	3,367,279
Amortization for fiscal 2009	<u>8,816</u>
Total amortization at 9/30/09	<u>8,816</u>
Amount amortized for all notes	28,281,692
Amortization for fiscal 2009	<u>1,066,055 b</u>
Total amortization at 9/30/09	<u>3,369,471</u>

b-997,861 of this 1,066,055 total is recognized as amortization expense in Schedule #4 above. The remaining balance of 68,194 represents amortization of note #14 (3,486), note #18 (55,892), and note #20 (8,816), which are being capitalized for projects still in the construction stage rather than being expensed.

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Schedule #5, Page 2, Part II, Line 13, "Investments—Other":

Investments under repurchase agreement #4	779,945
Certificates of deposit	52,399,949
Net investment in leases	<u>617,276,448</u>
	<u>670,456,342</u>

Investments under repurchase agreements are with brokers that are members of the Securities Investors Protection Corporation, and under these repurchase agreements, the brokers have guaranteed that the fair value of investments will not decline below their basis. Thus, the fair value = the book/cost basis. Agreement #4 is in effect until January 4, 2010 and also guarantees a 4.751% return on investments. In addition, investments include certificates of deposit that mature ranging from November 2, 2009 to November 1, 2013 with interest rates ranging from variable to 0.75% to 3.75%. The certificates of deposit have a cost basis of \$53,701,609, resulting in an unrealized depreciation of \$1,301,660 from their fair value of \$52,399,949.

Net investment in leases represents the difference between note payable and related obligations over the cash, investments, and other assets for this activity. This difference represents the minimum lease payments required by the various local governments over the term of the leases for the real estate projects constructed/developed under these lease agreements. Fair value = the book/cost basis.

Schedule #6, Page 1, Part I, Line 19, "Depreciation" and Page 2, Part II, Line 14, "Land, Buildings, & Equipment":

Land	6,453,678
Land improvements	229,541
Buildings	106,278,349
Furniture and equipment	10,258,760
Total cost/basis	<u>123,220,328</u>
Less accumulated depreciation	<u>(3,749,716)</u>
Property and equipment, net	<u>119,470,612</u>
Accumulated depreciation at 10/01/08	198,234
Addition to accumulated depreciation	<u>3,551,482</u>
Accumulated depreciation at 09/30/09	<u>3,749,716</u>

Depreciation is based on the estimated useful lives of the assets using the straight-line method. Estimated useful lives used for buildings are 30 years, for land improvements are 20 years, and for furniture and equipment is 5 years. Depreciation expense for fiscal 2009 is \$3,551,482 on a straight-line basis.

Schedule #7, Page 2, Part II, Line 15, "Other Assets":

Note issuance costs	28,281,692
Less accumulated amortization	<u>(3,369,471)</u>
Subtotal see Schedule #4	24,912,221
Other receivable	85,943
Lease income receivable	8,159,446
Interest receivable	<u>493,202</u>
	<u>33,650,812</u>

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Schedule #8, Page 2, Part II, Line 21, "Mortgages and Other Notes Payable":

Note payable #1	80,220,000
Note payable #2	28,435,000
Note payable #3	8,165,000
Note payable #5	12,375,000
Note payable #6	3,635,000
Note payable #7	10,405,000
Note payable #9	-
Note payable #11	-
Note payable #12	49,900,000
Note payable #13	-
Note payable #14	77,415,000
Note payable #15	785,000
Note payable #16	41,625,000
Note payable #17	22,700,000
Note payable #18	195,000,000
Note payable #19	218,425,000
Note payable #20	176,260,000
Note payable #21	29,770,163
Note payable #22	13,160,903
Notes payable	968,276,066
Original (discount)/premium	(4,156,176)
Total notes payable	<u>964,119,890</u>

Note payable #1 exists with the Industrial Development Authority of the City of Phoenix, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with the State of Arizona for the real estate property constructed with the proceeds from this note payable. This loan originated on December 14, 2000 and was refinanced on October 12, 2005 with a final maturity of September 2027. The interest rate ranges from 3.50% to 5.00%, depending on the maturity dates of various issues/installments associated with the note payable ranging from March 2006 to September 2027. Semi-annual payments range from \$2,721,537 to \$3,507,500. The original balance on the refinanced loan was \$87,645,000, with \$80,220,000 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop two buildings to be utilized by the local government the State of Arizona. This note payable has no relationship with disqualified persons.

Note payable #2 exists with the Industrial Development Authority of the City of Phoenix, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with the State of Arizona for the real estate property constructed with the proceeds from this note payable. This loan originated on December 1, 2001 with a final maturity of September 2028. The interest rate ranges from 3.50% to 5.25%, depending on the maturity dates of various issues/installments associated with the note payable ranging from September 2004 to September 2028. Semi-annual payments range from \$736,342 to \$1,547,750. The original loan balance was \$29,725,000, with \$28,435,000 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop one building to be utilized by the local government the State of Arizona. This note payable has no relationship with disqualified persons.

Note payable #3 exists with the Industrial Development Authority of the County of Maricopa, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /GEO Group, Inc. for the real estate property acquired with the proceeds from this note payable. This loan originated on July 31, 2002 with a final maturity of July 2022. The interest rate ranges from 4.10% to 5.375%, depending on the maturity dates of various issues/installments associated with the note payable ranging from July 2004 to July 2022. Semi-annual payments range from \$22,441 to \$857,441. The original loan balance was \$10,265,000, with \$8,165,000 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to purchase a secure private prison to be utilized by the local government the State of Arizona and to be managed by the publicly traded corporation GEO Group, Inc. This note payable has no relationship with disqualified persons.

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Schedule #8, Page 2, Part II, Line 21, "Mortgages and Other Notes Payable" (Continued)

Note payable #5 exists with the Industrial Development Authority of the City of Tucson, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with the University of Arizona/Marshall Foundation for the real estate property constructed with the proceeds from this note payable. This loan originated on November 5, 2002 with a final maturity of July 2032. The interest rate ranges from 3.00% to 5.00%, depending on the maturity dates of various issues/installments associated with the note payable ranging from July 2003 to July 2032. Semi-annual payments range from \$448,259 to \$1,365,000. The original loan balance was \$13,440,000, with \$12,375,000 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop a building to be utilized by the local government/university the University of Arizona and the charitable non-profit organization the Marshall Foundation. This note payable has no relationship with disqualified persons.

Note payable #6 exists with the Industrial Development Authority of the City of Tucson, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with the University of Arizona/Marshall Foundation for the real estate property constructed with the proceeds from this note payable. This loan originated on November 5, 2002 with a final maturity of July 2032. The interest rate ranges from 4.90% to 6.15%, depending on the maturity dates of various issues/installments associated with the note payable ranging from July 2003 to July 2032. Semi-annual payments range from \$164,846 to \$445,830. The original loan balance was \$3,960,000, with \$3,635,000 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop a building to be utilized by the local government/university the University of Arizona and the charitable non-profit organization the Marshall Foundation. This note payable has no relationship with disqualified persons.

Note payable #7 exists with the Industrial Development Authority of the County of Pinal, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /GEO Group, Inc. for the real estate property acquired with the proceeds from this note payable. This loan originated on December 20, 2002 with a final maturity of October 2022. The interest rate ranges from 3.875% to 5.25%, depending on the maturity dates of various issues/installments associated with the note payable ranging from April 2003 to October 2022. Semi-annual payments range from \$26,381 to \$1,031,381. The original loan balance was \$12,840,000, with \$10,405,000 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to purchase a secure private prison to be utilized by the local government the State of Arizona and to be managed by the publicly traded corporation GEO Group, Inc. This note payable has no relationship with disqualified persons.

Note payable #9 exists with the Industrial Development Authority of the County of Mohave, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /Management & Training Corporation for the real estate property acquired with the proceeds from this note payable. This loan originated on April 1, 2004 with a final maturity of April 2014. The interest rate ranges from 4.0% to 5.0%, depending on the maturity dates of various issues/installments associated with the note payable ranging from April 2006 to April 2014. Semi-annual payments range from \$278,875 to \$1,433,875. The original loan balance was \$49,675,000, with \$0 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct a secure private prison to be utilized by the local government the State of Arizona and to be managed by the non-publicly traded corporation Management & Training Corporation. This note payable has no relationship with disqualified persons. This loan was defeased in 2009 and was replaced by note payable #19.

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Schedule #8, Page 2, Part II, Line 21, "Mortgages and Other Notes Payable". (Continued)

Note payable #11 exists with the Industrial Development Authority of the County of Mohave, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /Management & Training Corporation for the real estate property acquired with the proceeds from this note payable. This loan originated on April 1, 2004 with a final maturity of June 2015. The interest rate is 0.0%, with maturity dates ranging from May 2014 to June 2015. Monthly payments of \$548,000 begin in May 2014. The original loan balance was \$7,672,200, with \$0 being the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct a secure private prison to be utilized by the local government the State of Arizona and to be managed by the non-publicly traded corporation Management & Training Corporation. This note payable has no relationship with disqualified persons. This loan was defeased in 2009 and was replaced by note payable #19.

Note payable #12 exists with the Industrial Development Authority of the County of Pinal, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /GEO Group, Inc. for the real estate property acquired with the proceeds from this note payable. This loan originated on February 10, 2006 with a final maturity of October 2025. The interest rate ranges from 4 50% to 5 25%, depending on the maturity dates of various issues/ installments associated with the note payable ranging from October 2008 to October 2025. Semi-annual payments range from \$95,175 to \$4,325,175. The original loan balance was \$51,560,000, with \$49,900,000 being the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct a secure private prison to be utilized by the local government the State of Arizona and to be managed by the publicly traded corporation GEO Group, Inc. This note payable has no relationship with disqualified persons.

Note payable #13 exists with the Industrial Development Authority of the County of Pinal, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /GEO Group, Inc. for the real estate property acquired with the proceeds from this note payable. This loan originated on February 10, 2006 with a final maturity of October 2008. The interest rate is 5 25%, with a final maturity of October 2008. Semi-annual payments range from \$4,725 to \$923,219. The original loan balance was \$1,075,000, with \$0 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct a secure private prison to be utilized by the local government the State of Arizona and to be managed by the publicly traded corporation GEO Group, Inc. This note payable has no relationship with disqualified persons and was paid off in 2009.

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Schedule #8, Page 2, Part II, Line 21, "Mortgages and Other Notes Payable". (Continued)

Note payable #14 exists with the Industrial Development Authority of the City of Phoenix, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying leases with Arizona State University students and retailers, as well as the buildings and improvements and an interest in the ground lease for the real estate property acquired with the proceeds from this note payable. This loan originated on September 19, 2007 with a final maturity of July 2042. The interest rate ranges from 4.00% to 5.00%, depending on the maturity dates of various issues/installments associated with the note payable ranging from July 2012 to July 2042. Semi-annual payments range from \$995,619 to \$23,768,013. The original loan balance was \$77,415,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to acquire, develop, construct, and operate facilities to be utilized by Arizona State University students and retailers and to be managed by Capstone On-Campus Management LLC, when construction is completed. This note payable has no relationship with disqualified persons.

Note payable #15 exists with the Industrial Development Authority of the City of Phoenix, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying leases with Arizona State University students and retailers, as well as the buildings and improvements and an interest in the ground lease for the real estate property acquired with the proceeds from this note payable. This loan originated on September 19, 2007 with a final maturity of July 2012. The interest rate is 5.25%, with a final maturity of July 2012. Semi-annual payments range from \$11,677 to \$805,606. The original loan balance was \$785,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to acquire, develop, construct, and operate facilities to be utilized by Arizona State University students and retailers and to be managed by Capstone On-Campus Management LLC, when construction is completed. This note payable has no relationship with disqualified persons.

Note payable #16 exists with the Industrial Development Authority of the City of Phoenix, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying leases with Arizona State University students and retailers, as well as the buildings and improvements and an interest in the ground lease for the real estate property acquired with the proceeds from this note payable. This loan originated on September 19, 2007 with a final maturity of July 2042. The interest rate ranges from 4.00% to 5.00%, depending on the maturity dates of various issues/installments associated with the note payable ranging from July 2012 to July 2042. Semi-annual payments range from \$540,871 to \$12,937,125. The original loan balance was \$41,625,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to acquire, develop, construct, and operate facilities to be utilized by Arizona State University students and retailers and to be managed by Capstone On-Campus Management LLC, when construction is completed. This note payable has no relationship with disqualified persons.

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Schedule #8, Page 2, Part II, Line 21, "Mortgages and Other Notes Payable": (Continued)

Note payable #17 exists with the Industrial Development Authority of the City of Phoenix, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying leases with Arizona State University students and retailers, as well as the buildings and improvements and an interest in the ground lease for the real estate property acquired with the proceeds from this note payable. This loan originated on October, 2008 with a final maturity of July 2042. The interest rate is 7.95%, with a final maturity of July 2042. Annual payments range from \$540,578 to \$1,990,252. The total loan balance is \$22,700,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to acquire, develop, construct, and operate facilities to be utilized by Arizona State University students and retailers and to be managed by Capstone On-Campus Management LLC, when construction is completed. This note payable has no relationship with disqualified persons. This note payable is subordinate to Note payables #14, #15, and #16 and was issued in favor of the developer to pay a portion of the development fee.

Note payable #18 exists with the Industrial Development Authority of the County of Pima, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with Clark County, Nevada for the real estate property constructed with the proceeds from this note payable. This loan originated on February 7, 2008 with a final maturity of September 2039. The interest rate ranges from 4.00% to 5.125%, depending on the maturity dates of various issues/installments associated with the note payable ranging from September 2010 to September 2039. Semi-annual payments range from \$322,625 to \$15,682,250. The original loan balance was \$195,000,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop a real estate project known as the Clark County Detention Facility to be utilized by the local government Clark County, Nevada. This note payable has no relationship with disqualified persons.

Note payable #19 exists with the Industrial Development Authority of the County of Mohave, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying contract with the State of Arizona /Management & Training Corporation for the real estate property acquired with the proceeds from this note payable. This loan originated on November 14, 2008 with a final maturity of May 2025. The interest rate ranges from 6.75% to 8.0%, depending on the maturity dates of various issues/installments associated with the note payable ranging from May 2011 to May 2025. Semi-annual payments range from \$1,771,400 to \$46,056,400. The original loan balance was \$218,425,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct a secure private prison to be utilized by the local government the State of Arizona and to be managed by the non-publicly traded corporation Management & Training Corporation. This note payable has no relationship with disqualified persons. This loan in part refinanced notes payable #9 and #11.

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Schedule #8, Page 2, Part II, Line 21, "Mortgages and Other Notes Payable" (Continued)

Note payable #20 exists with the Industrial Development Authority of the County of Pima, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with Clark County, Nevada and sublease with the Las Vegas Metropolitan Police Department for the real estate property constructed with the proceeds from this note payable.
This loan originated on September 2, 2009 with a final maturity of July 2041. The interest rate ranges from 3 0% to 6 0%, depending on the maturity dates of various issues/installments associated with the note payable ranging from July 2012 to September 2041. Semi-annual payments range from \$312,938 to \$11,550,875. The original loan balance was \$176,260,000, which is also the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop a real estate project known as the headquarters and administrative offices of the Las Vegas Metropolitan Police Department to be utilized by the local government Clark County, Nevada and the Las Vegas Metropolitan Police Department. This note payable has no relationship with disqualified persons.

Note payable #21 exists with the Industrial Development Authority of the County of Pima, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with Clark County, Nevada and sublease with the Las Vegas Metropolitan Police Department for the real estate property constructed with the proceeds from this note payable.
This loan originated on September 2, 2009 with a final maturity of July 2041. The interest rate is fixed at 4.5%, with annual payments beginning July 2019 and ending July 2041. Annual payments range from \$2,740,000 to \$17,050,000. The total loan balance will increase to \$88,146,642 as accrued interest is added to the note payable with a fixed interest rate at 4.5%, with \$29,770,163 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop a real estate project known as the headquarters and administrative offices of the Las Vegas Metropolitan Police Department to be utilized by the local government Clark County, Nevada and the Las Vegas Metropolitan Police Department. This note payable has no relationship with disqualified persons. This note payable is subordinate to Note payable #20 and was issued in favor of the developer to pay a portion of the development fee.

Note payable #22 exists with the Industrial Development Authority of the County of Pima, Arizona. It is a non-recourse loan that is secured by available investments from the proceeds of the note payable and the underlying lease with Clark County, Nevada and sublease with the Las Vegas Metropolitan Police Department for the real estate property constructed with the proceeds from this note payable.
This loan originated on September 2, 2009 with a final maturity of July 2041. The interest rate is fixed at 6 0%, with annual payments beginning July 2019 and ending July 2041. Annual payments range from \$390,000 to \$24,365,000. The total loan balance will increase to \$88,423,450 as accrued interest is added to the note payable with a fixed interest rate at 6 0%, with \$13,160,903 the outstanding balance at September 30, 2009. The purpose of the note payable was to have the necessary resources to construct/develop a real estate project known as the headquarters and administrative offices of the Las Vegas Metropolitan Police Department to be utilized by the local government Clark County, Nevada and the Las Vegas Metropolitan Police Department. This note payable has no relationship with disqualified persons. This note payable is subordinate to Note payable #20 and was issued in favor of the developer to pay a portion of the development fee.

Community Finance Corporation
Form 990–PF, Year End September 30, 2009
EI #86–0683138

Schedule #9, Page 6, Part VIII, Line 1, "Information about Directors, etc."

(a) Name and Address	(b)	(c)	(d)	(e)
Michael Hammond 335 N. Wilmot Rd Ste #420 Tucson, AZ 85711	President 6 hr per month	0	0	0
David Foust 335 N Wilmot Rd Ste #420 Tucson, AZ 85711	Vice– President 2 hr per month	0	0	0
Ray Roberts 335 N Wilmot Rd Ste #420 Tucson, AZ 85711	Secretary 2 hr per month	0	0	0
Michael Arnold 335 N. Wilmot Rd Ste #420 Tucson, AZ 85711	Treasurer 2 hr per month	0	0	0
Kendall Bert 335 N. Wilmot Rd Ste #420 Tucson, AZ 85711	Trustee– Director 2 hr per month	0	0	0
Kenneth Abrahams 335 N. Wilmot Rd. Ste #420 Tucson, AZ 85711	Trustee– Director 2 hr per month	0	0	0
Andy Romo 335 N. Wilmot Rd. Ste #420 Tucson, AZ 85711	Trustee– Director 2 hr per month	0	0	0
Sonia Trejo 335 N Wilmot Rd Ste #420 Tucson, AZ 85711	Trustee– Director 2 hr per month	0	0	0
David Wohl 335 N. Wilmot Rd Ste #420 Tucson, AZ 85711	Trustee– Director 2 hr per month	0	0	0

(b)–Title, and average hours per week devoted to position

(c)–Compensation

(d)–Contributions to employee benefit plans and deferred compensation

(e)–Expense account, other allowances

Community Finance Corporation
Form 990-PF, Year End September 30, 2009
EI #86-0683138

Schedule #10, Page 7, Part X, " Minimum Investment Return ".

In performing the calculations required for Part X, the only assets available to make charitable distributions is the cash available in a checking accounts in the name of Community Finance Corporation or its underlying disregarded tax entities. This represents the calculated average of monthly cash balances of \$660,391 used in Part X (which also includes \$1,086,387 in cash – non – interest bearing as of the end of year book value on Page 2, Part II line 1 on the Balance Sheet). All other assets on the balance sheet are not included in the calculations in Part X because they represent assets on deposit with trustee/fiscal agents that are permanently restricted and cannot be accessed by Community Finance Corporation based on the provisions of legal documents such as trust indentures, loan agreements, promissory notes, and management agreements. These assets are on deposit with trustee/fiscal agents and are the result of the issuance of publicly financed bond issues. The acceptance of notes payable proceeds from publicly financed bond issues results in the availability of assets on deposit with trustee/fiscal agents for the purpose of lessening the burdens of government and to erect, finance the erection of, or maintain public buildings, monuments, or works, which is the purpose of Community Finance Corporation's tax exempt status. Finally, these assets are not included in the calculations in Part X because they meet the definition of "assets that are actually used or held for use by the organization for a charitable, educational, or other similar function that contributed to the charitable status of the foundation". By definition, the only assets included in Part X calculations are "only those assets that are not actually used or held for use by the organization for a charitable, educational, or other similar function that contributed to the charitable status of the foundation".

Schedule #11, Page 11, Part XV, " Supplementary Information", Question 3 "Grants and Contributions Paid During the Year"

It is the policy of the Community Finance Corporation to make charitable contributions to existing 501(c)(3) public entities that provide programs or services that have the primary purpose of the lessening of the burdens of government. More specifically, Community Finance Corporation will consider programs that will provide community social service or community economic development. In fiscal 2009, Community Finance Corporation made a \$50,000 donation to the United Way of Tucson and Southern Arizona for the purpose of funding an early childhood education program, which met the criteria of community social service. In addition, in fiscal 2009, Community Finance Corporation made a \$50,000 donation to the Community Foundation of Southern Arizona for the purpose of funding a economic relief and stability fund that is intended to strengthen the infrastructure of the non-profit structure in Tucson, Arizona, which met the criteria of community economic development. Both of these donations are intended to lessen/reduce the burdens of government.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization Community Finance Corporation	Employer identification number 86 0683138	
	Number, street, and room or suite no. If a P O box, see instructions C/O Ronald D. Kovar Jr. CPA 7838 E. Linden Ct.		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions Tucson, Arizona 85715		

Check type of return to be filed (file a separate application for each return)

- | | | |
|---|---|------------------------------------|
| ☐ Form 990 | ☐ Form 990-T (corporation) | ☐ Form 4720 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☒ Form 990-PF | ☐ Form 1041-A | ☐ Form 8870 |

- The books are in the care of ► **Ronald D. Kovar Jr. CPA**

Telephone No. ► (**520**) **722-3643** FAX No. ► ()

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **May 15**, 20**10**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year 20 . . . or
 - ☒ tax year beginning **October 1**, 20**08**, and ending **September 30**, 20**09**.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$ 2,472
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 1,902
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 570

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization Community Finance Corporation	Employer identification number 86 : 0683138
	Number, street, and room or suite no. If a P.O. box, see instructions C/O Ronald D. Kovar Jr. CPA 7838 E. Linden Ct.	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Tucson, Arizona 85715	

Check type of return to be filed (File a separate application for each return).

- | | | | |
|--------------------------------------|---|--------------------------------------|------------------------------------|
| ☐ Form 990 | ☒ Form 990-PF | ☐ Form 1041-A | ☐ Form 6069 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 4720 | ☐ Form 8870 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **Ronald D. Kovar Jr. CPA**

Telephone No. **(520) 722-3643** FAX No. **()**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **_____**. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **August 15**, 20 **10**.
- 5 For calendar year **_____**, or other tax year beginning **October 1**, 20 **08**, and ending **September 30**, 20 **10**.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **All information to file a complete and accurate return is not available at this time.**
- The Taxpayer is in the process of obtaining the necessary information.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$ 2,472
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$ 2,472
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Ronald D. Kovar Jr. CPA**Title **CPA**Date **05/11/2010**