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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2009

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning**and ending****B Check if applicable**

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type

See Specific Instructions

C Name of organization**SOUTHERN ARIZONA LEADERSHIP COUNCIL, INC.**

Doing Business As

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

4400 EAST BROADWAY

Room/suite

307

City or town, state or country, and ZIP + 4

TUCSON, AZ 85711**F Name and address of principal officer: RONALD E. SHOOPMAN
SAME AS C ABOVE****D Employer identification number****86-0879845****E Telephone number****(520) 327-7619****G Gross receipts \$****512,621.****H(a) Is this a group return for affiliates?**☐ Yes ☒ No**H(b) Are all affiliates included?**☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶**I Tax-exempt status** ☒ 501(c) (**6**) (insert no) ☐ 4947(a)(1) or ☐ 527**J Website: ▶ WWW.SALC.ORG****K Form of organization:** ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L Year of formation: 1997****M State of legal domicile: AZ****Part I Summary**

Activities & Governance		Revenue		Expenses		Net Assets or Fund Balances	
1	Briefly describe the organization's mission or most significant activities. BUSINESS LEADERS COMMIT SKILLS & RESOURCES TO ENHANCE THE REGION'S QUALITY OF LIFE & ECONOMIC CLIMATE						
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets						
3	Number of voting members of the governing body (Part VI, line 1a)	3	24				
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	23				
5	Total number of employees (Part V, line 2a)	5	7				
6	Total number of volunteers (estimate if necessary)	6	1				
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.				
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.				
8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year				
9	Program service revenue (Part VIII, line 2g)	1,500.	46,500.				
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	298,450.	466,000.				
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	669.	121.				
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	300,619.	512,621.				
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	29,043.	15,500.				
14	Benefits paid to or for members (Part IX, column (A), line 4)						
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	239,978.	244,235.				
16a	Professional fundraising fees (Part IX, column (A), line 11e)						
b	Total fundraising expenses (Part IX, column (D), line 25) ▶						
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	167,385.	331,069.				
18	Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	436,406.	590,804.				
19	Revenue less expenses - Subtract line 18 from line 12	-135,787.	-78,183.				
20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year				
21	Total liabilities (Part X, line 26)	181,397.	500,863.				
22	Net assets or fund balances - Subtract line 21 from line 20	2,426.	400,075.				
		178,971.	100,788.				

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date **9/29/10****BRUCE D. BEACH, TREASURER CHAIRMAN**
Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address and ZIP + 4

BEACHFLEISCHMAN PC**P.O. BOX 64130****TUCSON, ARIZONA 85728-4130**

Date

9-28-10Check if self-employed ☐

Preparer's identifying number (see instructions)

EIN ▶

Phone no. ▶ **(520) 321-4600**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

TO IMPROVE THE GREATER TUCSON AREA AND THE STATE OF ARIZONA BY
BRINGING TOGETHER RESOURCES AND LEADERSHIP TO ENHANCE THE ECONOMIC
CLIMATE AND THE QUALITY OF LIFE IN OUR COMMUNITY, AND ATTRACT AND
RETAIN HIGH QUALITY, HIGH WAGE JOBS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code) (Expenses \$ 590,804. including grants of \$) (Revenue \$)

SEE SCHEDULE 0

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

SEE SCHEDULE 0

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

SEE SCHEDULE 0

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ 590,804.

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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	X	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	X	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		
• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		
• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		
• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X</i>		
12 Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		X
12A Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes	No
		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

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Part IV Checklist of Required Schedules *(continued)*

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	X	
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.	1a 1		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a 7		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions).	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	X	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		
d If "Yes," indicate the number of Forms 8282 filed during the year.	7d -		
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?	9a		
b Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12.	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders.	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	24	
b Enter the number of voting members that are independent	23	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13		X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?		X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **AZ**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization **PAM DUNCAN - (520) 327-7619**
4400 E. BROADWAY, SUITE 307, TUCSON, AZ 85711

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
KEN ABRAHAMS DIRECTOR	2.00	X						0.	0.	0.
STAN ABRAMS DIRECTOR	2.00	X						0.	0.	0.
LARRY ALDRICH DIRECTOR	2.00	X						0.	0.	0.
DON BOURN DIRECTOR	2.00	X						0.	0.	0.
GARY CLARK DIRECTOR	2.00	X						0.	0.	0.
JIM CLICK, JR. DIRECTOR	2.00	X						0.	0.	0.
JOE COYLE DIRECTOR	2.00	X						0.	0.	0.
MIKE HAMMOND DIRECTOR	2.00	X						0.	0.	0.
DUFF HEARON DIRECTOR	2.00	X						0.	0.	0.
STEVE LYNN DIRECTOR	2.00	X						0.	0.	0.
DAVID MEHL DIRECTOR	2.00	X						0.	0.	0.
CHRIS MONSON DIRECTOR	2.00	X						0.	0.	0.
JOHN MUNGER DIRECTOR	2.00	X						0.	0.	0.
RICK MYERS DIRECTOR	2.00	X						0.	0.	0.
KATHLEEN PERKINS DIRECTOR	2.00	X						0.	0.	0.
DON PITT DIRECTOR	2.00	X						0.	0.	0.
SI SCHORR DIRECTOR	2.00	X						0.	0.	0.

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
LESLIE TOLBERT DIRECTOR	2.00	X						0.	0.	0.
ROGER VOGEL DIRECTOR	2.00	X						0.	0.	0.
PETER LIKINS CHAIRMAN	4.00	X		X				0.	0.	0.
BRUCE BEACH VICE CHAIRMAN	4.00	X		X				0.	0.	0.
HANK AMOS SECRETARY	4.00	X		X				0.	0.	0.
JANNIE COX TREASURER	4.00	X		X				0.	0.	0.
RONALD SHOOPMAN PRESIDENT	60.00			X				146,500.	0.	0.
JOHN PEDICONE VICE PRESIDENT	8.00			X				23,175.	0.	0.
JAMES M KISER VICE PRESIDENT	20.00			X				24,268.	0.	0.
1b Total								193,943.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **1**

- | | | |
|--|------------|-----------|
| 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | Yes | No |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | | X |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

Form **990** (2009)

**SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**

Form 990 (2009)

86-0879845 Page **9**

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	46,500.				
	g Noncash contributions included in lines 1a-1f \$						
h Total. Add lines 1a-1f			46,500.				
Program Service Revenue	2 a MEMBERSHIP DUES	Business Code	541900	466,000.	466,000.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			466,000.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			121.			121.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	(ii) Personal				
	b Less rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)						
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b Less direct expenses	b					
	c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses	b					
	c Net income or (loss) from gaming activities						
	10 a Gross sales of inventory, less returns and allowances	a					
	b Less cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total revenue See instructions				512,621.	466,000.	0.	121.

SOUTHERN ARIZONA LEADERSHIP

Form 990 (2009)

COUNCIL, INC.

86-0879845 Page 10

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	15,500.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	169,675.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	56,403.			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	1,784.			
10 Payroll taxes	16,373.			
11 Fees for services (non-employees)				
a Management				
b Legal	50,587.			
c Accounting	4,105.			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	25,677.			
12 Advertising and promotion	4,171.			
13 Office expenses	26,522.			
14 Information technology	8,793.			
15 Royalties				
16 Occupancy	35,433.			
17 Travel	5,636.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	26,579.			
20 Interest	22.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	5,604.			
23 Insurance	2,144.			
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>IRC SECTION 481(A) ADJ.</u>	132,500.			
b <u>DUES AND SUBSCRIPTIONS</u>	3,296.			
c				
d				
e				
f All other expenses				
25 Total functional expenses Add lines 1 through 24f	590,804.			
26 Joint costs Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**

Form 990 (2009)

86-0879845 Page 11

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	105,547.	1	147,833.
	2 Savings and temporary cash investments	60,133.	2	60,235.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	281,250.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	51,574.		
	b Less accumulated depreciation	40,029.	15,422.	11,545.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities See Part IV, line 11		12	
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	295.	15	0.
16 Total assets. Add lines 1 through 15 (must equal line 34)	181,397.	16	500,863.	
Liabilities	17 Accounts payable and accrued expenses		17	
	18 Grants payable		18	
	19 Deferred revenue		19	400,000.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D	2,426.	25	75.
	26 Total liabilities. Add lines 17 through 25	2,426.	26	400,075.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0.	30	0.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	178,971.	32	100,788.
	33 Total net assets or fund balances	178,971.	33	100,788.
	34 Total liabilities and net assets/fund balances	181,397.	34	500,863.

Form 990 (2009)

**SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**

Form 990 (2009)

86-0879845 Page **12**

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both

☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b		X
2c		
3a		X
3b		

Form **990** (2009)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No 1545-0047

2009

Open to Public
Inspection

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B.
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations. Complete Part III

Name of organization SOUTHERN ARIZONA LEADERSHIP COUNCIL, INC.	Employer identification number 86-0879845
--	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$ 0.
- 3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ 0.
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ 0.
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☒ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2009

LHA

SOUTHERN ARIZONA LEADERSHIP

Schedule C (Form 990 or 990-EZ) 2009

COUNCIL, INC.

86-0879845 Page 2

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check ☐ if the filing organization belongs to an affiliated group
- B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns.															
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a. If zero or less, enter -0-															
i Subtract line 1f from line 1c. If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?															

☐ Yes ☐ No
4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2009

SOUTHERN ARIZONA LEADERSHIP

Schedule C (Form 990 or 990-EZ) 2009 COUNCIL, INC.

86-0879845 Page 3

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?		X
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	X	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?		X

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

PART I-A, LINE 1:

SOUTHERN ARIZONA LEADERSHIP COUNCIL ENDORSED A SLATE OF 4 CANDIDATES FOR THE CENTRAL ARIZONA PROJECT BOARD. THESE ARE ELECTED POSITIONS. THE CANDIDATES WERE INTRODUCED AT A MEMBERSHIP MEETING AND ALSO PROFILED BRIEFLY IN AN ELECTRONIC NEWSLETTER. NO MONEY WAS SPENT ON THE NEWSLETTER, AND NO STAFF TIME WAS USED IN THE RECRUITING PROCESS.

Schedule C (Form 990 or 990-EZ) 2009

Part IV Supplemental Information (continued)

THE RECRUITMENT WAS DONE BY SALC MEMBERS AS VOLUNTEERS. THE TOTAL
NUMBER OF VOLUNTEER HOURS IS UNKNOWN. SALC DID NOT MAKE ANY
CONTRIBUTIONS TO CAMPAIGNS OR ORGANIZATIONS IN SUPPORT OF THE
CANDIDATES.

Schedule D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009Open to Public
InspectionName of the organization **SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**Employer identification number
86-0879845**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the
organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

- c Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ► _____ %
b Permanent endowment ► _____ %
c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		34,166.	26,483.	7,683.
e Other		17,408.	13,546.	3,862.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				11,545.

Schedule D (Form 990) 2009

**SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**

Schedule D (Form 990) 2009

86-0879845 Page 4

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Name of the organization

**SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**

Employer identification number
86-0879845

Part I	General Information on Grants and Assistance
--------	--

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part I

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

[illegible]

- | | | | |
|---|--|----|---|
| 2 | Enter total number of section 501(c)(3) and government organizations | 1. | ▲ |
| 3 | Enter total number of other organizations | 0. | ▲ |

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Part IV and Schedule I-1 (Form 990) if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information

SALC DOES NOT MAKE GRANTS. IT MAY, FROM TIME TO TIME, MAKE CONTRIBUTIONS TO OTHER ORGANIZATIONS. ORGANIZATIONS ELIGIBLE TO RECEIVE CONTRIBUTIONS HAVE PURPOSES AND PROGRAMS THAT ACCOMPLISH SALC'S MISSION OF ENHANCING THE REGION'S QUALITY OF LIFE AND ECONOMIC CLIMATE.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

► **Complete if the organization answered**
"Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.
► **Attach to Form 990 or Form 990-EZ. ► See separate instructions.**

OMB No 1545-0047

2009

**Open To Public
Inspection**

Name of the organization **SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.**

Employer identification number
86-0879845

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only)

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958

► \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

► \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No

Total ► \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
LEWIS AND ROCA LLP	SCHORR IS A PARTNER	34,830.	LEGAL FEES		X

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2009

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.

Employer identification number
86-0879845

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

IF ANY ONE WORD DESCRIBED SALC IN 2009, IT WAS "ENGAGED." FROM
ARIZONA'S FISCAL CRISIS TO TUCSON CITY GOVERNMENT TO EARLY CHILDHOOD
EDUCATION, SALC AND ITS LEADERS WERE DEEPLY ENGAGED IN THE SEARCH FOR
SOLUTIONS AND IMPROVEMENTS, WITH SOME NOTABLE SUCCESSES.

LOOMING HIGH OVER ALL OTHER PROBLEMS IN 2009 WAS ARIZONA'S
UNPRECEDENTED FISCAL CRISIS. HOUSE SPEAKER KIRK ADAMS SAID ARIZONA'S
FINANCIAL PROBLEMS WERE MORE SEVERE THAN THOSE OF ANY OTHER STATE.
LOOKING BACK OVER THE STATE'S DIFFICULTIES THROUGHOUT THE YEAR, IT IS
EASY TO BELIEVE HE WAS RIGHT. IT IS WITH ARIZONA'S FISCAL CRISIS THAT
WE BEGIN THIS SUMMARY OF SALC'S 2009 YEAR IN REVIEW.

ARIZONA'S FISCAL CRISIS

- SALC AND THE HOSPITAL COUNCIL OF SOUTHERN ARIZONA SPONSORED A
LEGISLATIVE BREAKFAST JAN. 23 TO DISCUSS THE ENORMOUS BUDGET DEFICITS
FACING THE STATE. ELEVEN MEMBERS OF SOUTHERN ARIZONA'S LEGISLATIVE
DELEGATION ATTENDED AND HEARD TAX EXPERT AND SALC MEMBER DAVID COHEN
PRESENT HIS ANALYSIS THAT PART OF ARIZONA'S FISCAL PROBLEM HAD BEEN
CREATED BY A TAX STRUCTURE THAT ENCOURAGES POPULATION GROWTH BUT NOT
ECONOMIC GROWTH.

- SALC WROTE A SERIES OF BUDGET PRINCIPLES, INITIALLY DRAFTED BY STEVE
LYNN, FOR THE LEGISLATURE AND GOV. JAN BREWER TO FOLLOW IN FINDING WAYS
TO ERASE AN ESTIMATED \$1.6 BILLION SHORTFALL IN 2009, AND THE ESTIMATED

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

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02-03-10

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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OMB No 1545-0047

2009

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Name of the organization

SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.

Employer identification number
86-0879845

\$3 BILLION SHORTFALL FOR 2010. BOTH GREATER PHOENIX LEADERSHIP AND THE
FLAGSTAFF FORTY SIGNED ONTO THE PRINCIPLES. A LETTER WITH THE
PRINCIPLES WAS HAND-DELIVERED TO THE GOVERNOR AND EVERY LEGISLATOR ON
JAN. 27. THE LETTER ARGUED THAT ATTEMPTING TO BALANCE THE BUDGET WITH
SPENDING REDUCTIONS ALONE WAS "NOT ONLY UNWISE, BUT FRANKLY,
IMPOSSIBLE," AND CALLED ON STATE LEADERS TO USE "A COMBINATION OF
SPENDING REDUCTIONS, SPENDING DEFERRALS, DEBT-FINANCING, REVENUE
ENHANCEMENTS, AND OTHER SHORT-TERM STRATEGIES" TO SOLVE THE BUDGET
SHORTFALL.

- AS A SIGN OF SALC'S LEADERSHIP IN PUTTING STATE WELFARE AHEAD OF ANY
ONE GROUP'S WELFARE, SALC WAS THE ONLY BUSINESS ORGANIZATION TO ENDORSE
KEEPING THE STATE'S EQUALIZATION TAX IN PLACE UNTIL REPLACEMENT REVENUE
COULD BE FOUND. GOV. BREWER STOOD BY OUR RECOMMENDATION AND GAVE SALC
CREDIT FOR IT. THE STRATEGIC INITIATIVE TASK FORCE LED BY MIKE HAMMOND
AND ERIC HEDLUND ALONG WITH SEVENTEEN SALC MEMBERS MET WITH SEN.
JONATHAN PATON ON FEB. 13 TO DISCUSS THE STATE BUDGET IN AN OPEN AND
PRODUCTIVE DISCUSSION.

- THE FEB. 18 SALC GENERAL MEMBERSHIP MEETING FEATURED TOM MANOS, THE
HEAD OF GOV. BREWER'S BUDGET STAFF. MANOS EMPHASIZED THAT THE BUSINESS
COMMUNITY COULD PLAY AN IMPORTANT ROLE IN SOLVING THE BUDGET CRISIS BY
HELPING THE PUBLIC TO BETTER UNDERSTAND THAT THE CRISIS IS REAL AND
MUCH MORE SEVERE THAN MANY PEOPLE THINK. HE ESTIMATED THE SHORTFALL AT
\$2 BILLION IN 2009 AND \$3.2 BILLION IN 2010.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

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Name of the organization

SOUTHERN ARIZONA LEADERSHIP
COUNCIL, INC.

Employer identification number
86-0879845

- SALC JOINED WITH GPL AND OTHER BUSINESS GROUPS TO DISCUSS THE BUDGET
CRISIS AND ADOPTED A KEY GOAL: WE WILL WORK TO HELP SOLVE THIS CRISIS
IN WAYS THAT PRESERVE THE CRITICAL INFRASTRUCTURE OUR STATE WILL NEED
FOR THE FUTURE. A SECOND GOAL ADOPTED WAS TO PUSH FOR A REVIEW AND
REVISION OF THE FLAWED ARIZONA TAX SYSTEM SO AS TO AVOID SIMILAR CRISES
IN THE FUTURE.

- SALC AND THE OTHER CEO LEADERSHIP GROUPS ADDED TO OUR BUDGET
PRINCIPLES WITH A CALL FOR A STATE FINANCIAL PLAN THAT LOOKS AHEAD A
MINIMUM OF FIVE YEARS, FOR TAX REFORM, AND FOR A NEW CAPITAL
EXPENDITURE PLAN.

- ON MARCH 13, SALC AND JIM CLICK HOSTED GOV. JAN BREWER, HOUSE SPEAKER
KIRK ADAMS AND SENATE PRESIDENT BOB BURNS IN A MEETING WITH 160
SOUTHERN ARIZONA BUSINESS LEADERS. ADAMS DESCRIBED ARIZONA'S SITUATION
AS "THE WORST BUDGET DEFICIT OF ANY STATE IN THE COUNTRY," WHILE BURNS
WARNED THAT "A SOLUTION IS NOT EVIDENT."

- ON APRIL 15, JIM APPERSON, ARIZONA'S STIMULUS CZAR, TOLD SALC MEMBERS
THAT FEDERAL MONEY WOULD HELP - BUT WOULD NOT SOLVE - THE STATE'S
FISCAL PROBLEMS. HE SAID THE FISCAL CRISIS WOULD WORSEN FROM 2010 TO
2014. AT SAME MEETING, PAUL BENTZ, A SENIOR ACCOUNT EXECUTIVE AT
HIGHGROUND PUBLIC AFFAIRS GROUP, SAID POLL RESULTS SHOW ARIZONANS ARE
AWARE THE STATE HAS A SERIOUS BUDGET DEFICIT, BUT THEY ARE CONFLICTED
OVER HOW TO SOLVE IT.

SCHEDULE O
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Department of the Treasury
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- ON OCTOBER 23RD MEMBERS OF THE SALC BOARD OF DIRECTORS MET FOR A CANDID CONVERSATION ABOUT THE STATE'S GROWING BUDGET CRISIS. BOARD MEMBERS THANKED THE GOVERNOR FOR HER STAND ON EDUCATION, SCIENCE FOUNDATION AND CRITICAL SERVICES. THEY ALSO CALLED ON HER TO TAKE ACTION TO ADDRESS THE ISSUE AND PROVIDED A NUMBER OF SPECIFIC RECOMMENDATIONS. ONE KEY MESSAGE TO THE GOVERNOR WAS THAT WE UNDERSTAND THE NEED FOR CUTS, HOWEVER THE KEY IS TO MAKE CUTS IN THE MOST STRATEGIC MANNER SO THAT THE STATE IS POSITIONED TO RECOVER WITHOUT SIGNIFICANT LONG TERM IMPACT BASED ON THESE SHORT TERM DECISIONS.

- SALC'S STRATEGY THROUGHOUT THE YEAR WAS TO ENGAGE WITH THE GOVERNOR AND THE LEGISLATURE ON THE STATE'S BUDGET CRISIS, ENCOURAGING THEM TO SOLVE THE SHORT-TERM CRISIS RESPONSIBLY AND IN A WAY TO MINIMIZE THE HARMFUL EFFECTS ON THE STATE'S LONG-TERM OUTLOOK.

FEDERAL ENGAGEMENT

- THE NATIONAL ECONOMY HAD ITS OWN FISCAL CRISIS IN 2009, AND SALC ENGAGED IN A CRITICALLY IMPORTANT FINANCIAL ISSUE. IN AN EFFORT COORDINATED BY BRUCE BEACH, WITH INPUT FROM SALC'S FINANCIAL INDUSTRY MEMBERS, SALC CALLED ON CONGRESS TO MODIFY, SUSPEND OR ELIMINATE THE "MARK-TO-MARKET" RULE, WHICH HAD A DEVASTATING EFFECT ON BANKS AND OTHER FINANCIAL COMPANIES DURING THE NATION'S FINANCIAL MELTDOWN. REP. GABRIELLE GIFFORDS' STAFF CARRIED A LETTER FROM SALC CHAIRMAN PETER LIKINS TO TREASURY SECRETARY TIMOTHY GEITHNER AND REP. BARNEY FRANK,

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CHAIRMAN OF THE FINANCIAL SERVICES COMMITTEE. SIGNIFICANTLY, ON APRIL
2, THE FINANCIAL ACCOUNTING STANDARDS BOARD REVISED MARK-TO-MARKET.

- ADDITIONALLY, SALC MEMBERS PARTICIPATED IN SEVERAL CONFERENCE CALLS
CONCERNING THE BUDGET STABILIZATION ACT WITH REP. GIFFORDS.

GENERAL COMMUNITY AND STATE ENGAGEMENT

- JANUARY BEGAN WITH TWO SALC MEMBERS WINNING KEY COMMUNITY HONORS.

SARAH SMALLHOUSE WAS NAMED WOMAN OF THE YEAR AND DON DIAMOND RECEIVED
THE FOUNDERS AWARD FROM THE TUCSON METROPOLITAN CHAMBER OF COMMERCE.

"THIS WHOLE COMMUNITY WOULD HAVE BIG HOLES IN IT WITHOUT THAT LADY,"
RAY WOOSLEY SAID ABOUT SMALLHOUSE. "I'M PROUD OF THE COMPANY THE MOST,
NOT ME BUYING LAND," DIAMOND TOLD THE TUCSON CITIZEN. "IT'S THE WAY WE
DEVELOP IT. I HONESTLY FEEL, AND WE'VE BEEN TOLD, WE DO THE BEST
PROJECTS IN TUCSON. SOMEWHERE ALONG THE LINE, I THOUGHT, "IF YOU GIVE
THEM QUALITY, THEY'LL PAY FOR IT."

- THE JAN. 14 GENERAL MEMBERSHIP MEETING FEATURED THE TRANSITION OF THE
GOVERNOR'S OFFICE FROM GOV. JANET NAPOLITANO, WHO BECAME HEAD OF THE
U.S. DEPARTMENT OF HOMELAND SECURITY, TO SECRETARY OF STATE JANET
BREWER, WHO REPLACED NAPOLITANO AS GOVERNOR. GREATER PHOENIX LEADERSHIP
VICE PRESIDENT LISA ATKINS AND SALC MEMBER STEVE LYNN REPORTED FROM
THEIR POSITIONS ON THE TRANSITION TEAM.

- ON MAY 14, "HAPPY HOUR WITH A PURPOSE," BROUGHT TOGETHER SALC MEMBERS

SCHEDULE O
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Department of the Treasury
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86-0879845

WITH TUCSON YOUNG PROFESSIONALS, IN A GATHERING FOCUSING ON SALC'S
PROVISION OF LEADERSHIP MENTORING.

- ON OCT. 21, LATTIE COOR, CHAIRMAN AND CEO OF THE CENTER FOR THE
FUTURE OF ARIZONA, PRESENTED A FIRST-HAND VIEW OF "THE ARIZONA WE WANT"
GALLUP POLL RESULTS. THE POLL CONCLUDED THAT THE PRIORITY FOR
ARIZONANS, LIKE THE PRIORITY OF ALL OTHER PEOPLE THROUGHOUT THE WORLD,
WAS TO CREATE JOBS.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:
STRATEGIC INITIATIVES TASK FORCE

- UNDER THE LEADERSHIP OF MIKE HAMMOND AND ERIC HEDLUND, THE STRATEGIC
INITIATIVES TASK FORCE WORKED WITH THE UNIVERSITY OF ARIZONA TO
STREAMLINE THE UA INTERNSHIP PROCESS FOR BUSINESS ACCESS. AS A RESULT,
THE UA CREATED A NEW PROCESS AND WEB ACCESS. ONE EARLY OUTCOME: THE UA
LED SALC TO AN INTERN TO WORK WITH THE TUCSON GOVERNANCE ACTION TEAM ON
RESEARCHING CITIES COMPARABLE TO TUCSON.

- AT SALC'S MAY 20 GENERAL MEMBERSHIP MEETING, SALC ENGAGED WITH NEW
CITY MANAGER MIKE LETCHER AND COMMITTED TO PARTNERING WITH THE CITY TO
IMPROVE CITY FUNCTIONS. FOR HIS PART, LETCHER PROMISED A MORE
PROFESSIONAL, MORE EFFECTIVE CITY GOVERNMENT. "IT IS ENCOURAGING TO ME
THAT THIS LEVEL OF LEADERSHIP IN THE COMMUNITY IS ACTIVELY INVOLVED TO
MAKE A DIFFERENCE," LETCHER SAID.

SCHEDULE O
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- WITH THE TUCSON METROPOLITAN CHAMBER OF COMMERCE, SALC CO-HOSTED A
WELCOME COCKTAIL PARTY FOR PAUL BONAVIDA, THE CHAIRMAN, PRESIDENT AND
CEO OF UNISOURCE ENERGY, THE PARENT COMPANY OF TUCSON ELECTRIC POWER,
AND FOR TAYLOR LAWRENCE, THE PRESIDENT OF RAYTHEON MISSILE SYSTEMS.

- SALC JOINED WITH TUCSON REGIONAL ECONOMIC OPPORTUNITIES, THE REGION'S
ECONOMIC DEVELOPMENT AGENCY, IN SPONSORING A LEADERSHIP EXCHANGE TRIP
TO ALBUQUERQUE. SEVERAL SALC MEMBERS WERE AMONG THE 40 PEOPLE ATTENDING
THE THREE-DAY EXCHANGE. ARIZONA DAILY STAR EDITORIAL PAGE EDITOR ANN
BROWN WROTE AFTERWARD IN THE STAR'S PAGES THAT THE TRIP OFFERED THE
LESSON THAT ECONOMIC DEVELOPMENT - NEW HIGH PAYING JOBS - IS ESSENTIAL.

- MEET ME AT MAYNARD'S, AN IDEA CONCEIVED BY SALC MEMBER JANNIE COX TO
BRING MORE PEOPLE DOWNTOWN, REVEALED THE EXCEPTIONAL POWER OF
GRASSROOTS ECONOMIC DEVELOPMENT. HELD ON MONDAYS, IT HAS ATTRACTED MORE
THAN 5,000 PEOPLE DOWNTOWN, MANY OF THEM FOR THE FIRST TIME, SINCE ITS
APRIL 13 START.

WATER TASK FORCE

- THE TUCSON REGIONAL WATER COALITION, TRWC, WAS INITIATED BY SALC
UNDER THE GUIDANCE OF WATER TASK FORCE CHAIRMAN KEN ABRAHAMS. THE
GROUP BROUGHT ELEVEN BUSINESS GROUPS TOGETHER WITH THE SALC WATER TASK
FORCE. THIS JOINT EFFORT GAINED STRENGTH AND DIRECTION IN 2009 THROUGH
PARTICIPATING DIRECTLY IN THE CITY-COUNTY WATER STUDY.

- THE WATER COALITION PROVIDED PRINCIPLES OF SUSTAINABILITY TO THE

SCHEDULE O
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Department of the Treasury
Internal Revenue Service

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CITY-COUNTY WATER STUDY GROUP AND REVIEWED THE WATER STUDY GROUP'S
PHASE ONE AND PHASE TWO REPORTS, PROVIDING INPUT ON BOTH.

- THE TRWC WORKED CLOSELY WITH THE FOUR CAP BOARD MEMBERS FROM SOUTHERN
ARIZONA TO ESTABLISH THOSE MEMBERS AS THE ONLY ELECTED VOICES FOR WATER
IN OUR REGION.

- TRWC TOOK A STRONG STAND IN SUPPORT OF CAP'S EFFORTS TO MAINTAIN THE
NAVAJO GENERATING STATION BY SENDING A LETTER TO THE EPA CONCERNING ITS
ADVANCED NOTICE OF PROPOSED RULEMAKING ON VISIBILITY IMPROVEMENTS AT
SURROUNDING CLASS I AREAS AND COST EFFECTIVENESS OF BEST AVAILABLE
RETROFIT TECHNOLOGY (BART) FOR FOUR CORNERS POWER PLANT AND NAVAJO
GENERATING STATION.

- THE WATER COALITION WROTE A WHITE PAPER ON THE "ECONOMICS OF WATER"
AND PRESENTED IT TO THE CITY-COUNTY WATER STUDY AT A PUBLIC MEETING ON
AUGUST 20TH. THIS IMPORTANT CONCEPT IS AN ESSENTIAL ELEMENT IN
CREATING BALANCED, EFFICIENT AND SUSTAINABLE WATER POLICIES FOR THE
TUCSON REGION.

HEALTH CARE TASK FORCE

SALC WORKS IN PARTNERSHIP AND THROUGH HOSPITAL COUNCIL OF SOUTHERN
ARIZONA TO ADDRESS HEALTH CARE PRIORITIES FOR THIS REGION AND IDENTIFY
AREAS WHERE THE COMMUNITY CAN COME TOGETHER TO IMPROVE THE QUALITY,

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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ACCESS, AND AFFORDABILITY OF CARE. THE TWO ORGANIZATIONS WORKED CLOSELY
WITH EACH OTHER THROUGHOUT 2009. 2009 WAS CERTAINLY A CHALLENGING YEAR
WITH THE ECONOMY AND BUSINESS ENVIRONMENT CONTINUING TO HAVE AN IMPACT
ON HEALTH CARE ORGANIZATIONS.

- FIVE SALC MEMBERS WERE AMONG THE TEN PANEL DISCUSSION MEMBERS AND
SPEAKERS AT THE BIZTUCSON HEALTH CARE SUMMIT ON SEPT. 18. THE SUMMIT
CAME AT A CRITICAL TIME IN THE NATION'S DEBATE OVER HOW TO REFORM
HEALTH CARE. SALC MEMBERS WHO SPOKE WERE LARRY ALDRICH, PAUL KAPPELMAN,
GREG PIVIROTTTO, JUDITH RICH, AND RAY WOOSLEY.

- THROUGH ITS PARTNERSHIP WITH GRAND CANYON UNIVERSITY, HCSA GRADUATED
AN ADDITIONAL TWO COHORTS OF FAST TRACK NURSING STUDENTS IN 2009.

- CITY OF TUCSON MAYOR BOB WALKUP ORGANIZED A TASK FORCE TO REVIEW AND
ANALYZE TRAUMA SERVICES IN THE TUCSON AREA. THE TASK FORCE, WHICH
INCLUDED HCSA REPRESENTATIVES, COMPLETED ITS ANALYSIS AND PUBLISHED ITS
FINDINGS IN 2009, INDICATING THAT TRAUMA CAPACITY IS CURRENTLY BEING
MET IN THE CITY. THE REPORT MADE ADDITIONAL RECOMMENDATIONS FOR
ADDRESSING FUTURE NEEDS.

- SALC PROVIDED BUSINESS REPRESENTATION FOR SOUTHERN ARIZONA HEALTH
INFORMATION EXCHANGE (SAHIE) IN 2009 AS SAHIE SIGNED CONTRACTS WITH
VENDORS FOR THE TECHNOLOGY INFRASTRUCTURE NECESSARY TO BUILD AND
SUSTAIN A HEALTH INFORMATION EXCHANGE.

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- THROUGH SALC THE BUSINESS COMMUNITY WAS ABLE TO PROVIDE SUPPORT AND
DIRECTION FOR A 4 COUNTY-WIDE COLLABORATIVE PROPOSAL FOR ARRA STIMULUS
WORKFORCE FUNDS THAT COULD BRING AS MUCH AS \$5 MILLION FOR HEALTH CARE
OCCUPATIONS TRAINING. THE PROPOSAL PLACES AN EMPHASIS ON THE CRITICAL
ALLIED HEALTH OCCUPATIONS THAT ARE CURRENTLY IN DEMAND AND PROJECTED TO
CONTINUE TO BE A NEED IN THE NEXT 36 MONTHS.

- SALC AND HCSA HOSTED CONVERSATIONS WITH REPRESENTATIVES OF THE
GOVERNOR'S OFFICE THROUGHOUT 2009 TO TALK ABOUT PRIORITIES IN HEALTH
CARE PROGRAMS AND FUNDING FROM SOUTHERN ARIZONA'S PERSPECTIVE.

- SALC EXPRESSED ITS SUPPORT OF ARIZONA HEALTH-E CONNECTION AS AN
IMPORTANT FACILITATOR FOR STATEWIDE PLANNING AND COORDINATION OF HEALTH
INFORMATION TECHNOLOGY FOR HEALTH CARE EFFORTS. THE GOVERNOR
ACKNOWLEDGED THE ROLE OF AZHEC WHEN SHE DESIGNATED ARIZONA'S OFFICE OF
ECONOMIC RECOVERY TO WORK IN PARTNERSHIP WITH AZHEC AND ITS BOARD OF
DIRECTORS FOR ATTRACTING MUCH NEEDED STIMULUS FUNDS FOR ARIZONA.

TRANSPORTATION TASK FORCE

- SALC MEMBER STEVE CHRISTY WAS NAMED BY GOV. JAN BREWER TO REPLACE SI
SCHORR ON THE STATE TRANSPORTATION BOARD. THE BOARD IS RESPONSIBLE FOR
ESTABLISHING A COMPLETE SYSTEM OF STATE HIGHWAY ROUTES.

- SALC MEMBERS REVIEWED THE PROGRESS OF THE REGIONAL TRANSPORTATION
PLAN WITH OFFICIALS OF THE PIMA ASSOCIATION OF GOVERNMENTS.

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- SEVERAL SALC MEMBERS ATTENDED THE ARIZONA TOWN HALL ON TRANSPORTATION
AND PARTICIPATED IN FOLLOW-UP MEETINGS ON THE TOPIC.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

EDUCATION TASK FORCE

- THE EDUCATION TASK FORCE, UNDER CO-CHAIRS DONALD PITT AND ROGER
VOGEL, OPERATES ON TWO LEVELS: HIGHER EDUCATION AND K-12. IT WAS
ESPECIALLY BUSY IN 2009, AT LEAST PARTLY IN RESPONSE TO THE STATE'S
FISCAL CRISIS.

- SALC SENT A LETTER TO THE ARIZONA BOARD OF REGENTS EMPHASIZING OUR
SUPPORT FOR UA PRESIDENT ROBERT SHELTON AND THE UA IN GENERAL. IN
PARTICULAR, THE UA'S RESEARCH EFFORTS ARE CENTRAL TO ARIZONA'S GROWING
RELIANCE ON SCIENCE AND TECHNOLOGY AS THE BEST HOPE FOR THE STATE TO
COMPETE IN THE GLOBAL ECONOMY.

- ON JAN. 22, SALC MEMBERS DON DIAMOND, TAYLOR LAWRENCE, SARAH
SMALLHOUSE, STEVE LYNN, RON SHOOPMAN, JIM GENTILE, NEIL SIMON, BRUCE
DUSENBERRY, JOHN BREMOND, BRUCE BEACH AND ROBERT SHELTON JOINED 950
OTHER ARIZONANS IN TELLING THE BOARD OF REGENTS THAT DRASTIC CUTS COULD
DEVASTATE HIGHER EDUCATION IN ARIZONA AND DO SEVERE DAMAGE TO THE
ECONOMY. THE GOVERNOR AND LEGISLATURE REDUCED THE PROPOSED CUTS AFTER
OUR EFFORT. DID WE MAKE THE DIFFERENCE? THAT IS UNKNOWN, BUT WE
WEIGHED IN HARD.

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- SALC PARTICIPATED IN THE ARIZONA BUSINESS AND EDUCATION COALITION'S
EFFORTS TO LAY THE FOUNDATION FOR REFORMING ARIZONA'S COMPLEX AND
CUMBERSOME SYSTEM OF SCHOOL FINANCE.

- SALC SUCCESSFULLY FOUGHT LEGISLATIVE PROPOSALS THAT WOULD SERIOUSLY
HAVE THREATENED THE VERY EXISTENCE OF THE PIMA COUNTY JOINT
TECHNOLOGICAL EDUCATION DISTRICT AND ALL OTHER JTEDS THROUGHOUT THE
STATE. THE PROPOSALS CAME EVEN AS JTED WAS CREATING VALUABLE NEW
PROGRAMS AT SEVERAL TUCSON SCHOOLS, INCLUDING PRE-ENGINEERING PROGRAMS,
PHARMACY TECH, AND BIOSCIENCE AND BIOTECHNOLOGY.

- SALC CO-HOSTED AN EARLY EDUCATION BREAKFAST APRIL 2, FOCUSED ON THE
THEME OF "BUSINESS LEADERS FOR EARLY EDUCATION." DON DIAMOND WAS A
SPEAKER, ALONG WITH NADINE BASHA AND ASHLEY THRIFT, WHO WAS
INSTRUMENTAL IN CREATING NORTH CAROLINA'S ACCLAIMED "SMART START"
PROGRAM.

- THE PRESIDENTS OF SALC, GREATER PHOENIX LEADERSHIP AND THE FLAGSTAFF
FORTY ANNOUNCED THEY WOULD HELP LAUNCH A STATEWIDE EDUCATION INITIATIVE
KNOWN AS "EXPECT MORE ARIZONA." THIS PUBLIC-PRIVATE PARTNERSHIP IS
PRIMARILY BUSINESS DRIVEN. IT IS PARTNERING IN SOUTHERN ARIZONA WITH
TUCSON VALUES TEACHERS.

- IN THE NOVEMBER ELECTION, SALC ENDORSED THE TUCSON UNIFIED SCHOOL
DISTRICT OVERRIDE EFFORTS AND MADE A RARE CONTRIBUTION TO THE CAMPAIGN.

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IN DOING SO, SALC NOTED THAT TUSD EDUCATES ABOUT 50 PERCENT OF ALL
CHILDREN IN THE TUCSON REGION.

- ON OCTOBER 29TH THE BUSINESS EDUCATION ROUNDTABLE, BER, CO-CHAIRLED BY
SALC MEMBER ROGER VOGEL HELD ITS FALL MEETING AND ATTRACTED A LARGE
CROWD OF EDUCATION SUPPORTERS. THE EVENT FEATURED THE PRESIDENT OF THE
ABOR BOARD OF REGENTS, SALC MEMBER ROY FLORES AND TVT EXECUTIVE
DIRECTOR JACQUELYN JACKSON. THESE MEETINGS ARE DESIGNED TO KEEP THE
BUSINESS COMMUNITY AND THE EDUCATION COMMUNITY CONNECTED AND WORKING
TOGETHER.

- WITH SALC'S SUPPORT, SALC MEMBER COLLEEN NICCUM, VICE-PRESIDENT FOR
COMMUNICATIONS AND EXTERNAL AFFAIRS AT RAYTHEON, WAS NAMED TO GOV.
BREWER'S P-20 COORDINATING COUNCIL.

- ON NOV. 10, THE EDUCATION AND BUSINESS BOARDROOM CONSIDERED THE ISSUE
OF CREATING CHANGE IN DYNAMIC ENVIRONMENTS. SALC CHAIRMAN PETE LIKINS
WAS ONE OF FOUR PANELISTS.

- THROUGHOUT THE YEAR SALC WORKED WITH A WIDE VARIETY OF EDUCATION
PROJECTS. A KEY EXAMPLE: THE LITERACY FOR LIFE COALITION, SUPPORTED BY
SALC MEMBER MEL COHEN. THE NEW SUPERINTENDENT FOR TUSD WAS SUPPORTED
BY A SMALL GROUP OF MOSTLY SALC ADVISORS. THOSE MEMBERS INCLUDED STEVE
LYNN, DON PITT, ROGER VOGEL AND JOHN PEDICONE, WHO WERE MAKING THE
EFFORT TO PROVIDE COUNSEL AND FURTHER SUPPORT FOR THAT DISTRICT. THE
LIST OF PROJECTS LIKE THESE IS LONG BUT NECESSARY ON THIS CRITICAL

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ISSUE.

TUCSON VALUES TEACHERS

- MORE THAN 80 TEACHERS APPLIED FOR TVT'S FIRST INTERNSHIP PROGRAM, WHICH INCLUDED PAID INTERNSHIPS, LASTING EIGHT TO TEN WEEKS, IN FIELDS INVOLVING SCIENCE, TECHNOLOGY, ENGINEERING AND MATH. NINE BUSINESSES STEPPED UP TO TAKE INTERNS AND THE REVIEWS FROM BOTH TEACHERS AND BUSINESSES WERE VERY POSITIVE. ALL THAT IS LEARNED FROM THE PROGRAM, WHICH INCLUDES A MASTER'S DEGREE, IS BEING INTEGRATED INTO THE CURRICULUM OF THE MASTER'S PROGRAM. THE PROGRAM, UNIQUE IN THE NATION ALSO RECEIVED EXTENSIVE MEDIA COVERAGE, INCLUDING CNN AND THE AP WIRE. EIGHTEEN INTERNSHIPS WERE CREATED TO PROVIDE THE OPPORTUNITY FOR K-12 TEACHERS TO LEARN MORE ABOUT THE WORKPLACE AND THEN TAKE THAT INFORMATION BACK INTO THEIR CLASSROOMS.

- TVT'S NEWLY FORMED BOARD OF DIRECTORS MET FOR THE FIRST TIME ON THURSDAY, MARCH 26, AND UNANIMOUSLY ELECTED COLLEEN NICCUM OF RAYTHEON AS ITS PRESIDENT.

- TVT "SUMMER BREAKS FOR TEACHERS" WON STRONG SUPPORT FROM TEACHERS AND THE BUSINESS COMMUNITY. DISCOUNT CARDS WERE DISTRIBUTED TO 10,000 DISTRICT, PRIVATE AND CHARTER SCHOOL TEACHERS ON MAY 19. JIM CLICK UNDERWROTE THE COST OF PREPARING THE CARDS AND ALSO CREATED A GENEROUS BENEFIT PACKAGE FOR TEACHERS AT JIM CLICK AUTOMOTIVE. A VARIETY OF OTHER BUSINESSES ALSO OFFERED SPECIAL INCENTIVES FOR TEACHERS. THE

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PROGRAM RECEIVED EXTENSIVE MEDIA COVERAGE, AND GLOWING REVIEWS FROM
TEACHERS AND BUSINESSES. TEACHERS BENEFITED FROM A LONG RANGE OF
SIGNIFICANT DISCOUNTS, AND DROVE SIGNIFICANT BUSINESS TO ALL COMPANIES
THAT PARTICIPATED.

- BY MID-YEAR, TVT HAD GARNERED SIGNIFICANT LOCAL AND NATIONAL
ATTENTION, WITH STORIES IN THE ARIZONA DAILY STAR AND USA TODAY, AND A
PRESENTATION ON CNN. MORE THAN 40 MEDIA STORIES APPEARED IN A WIDE
RANGE OF PRINT AND BROADCAST MEDIA OUTLETS.

- TVT FORMED A STRONG PARTNERSHIP WITH WALGREENS IN SUPPORT OF TUCSON
SUPPLIES TEACHERS, A MONTH-LONG CAMPAIGN THAT SOLICITED DONATIONS OF
CLASSROOM SUPPLIES FOR ALL AREA SCHOOLS. WALGREENS PLACED TVT BOXES IN
ALL 51 OF ITS SOUTHERN ARIZONA STORES, PROVIDING WIDE VISIBILITY FOR
TVT WHILE ALSO COLLECTING SUPPLIES FOR K-12 SCHOOLS. MEDIA STORIES
ABOUT THE CAMPAIGN WERE FEATURED IN THE ARIZONA DAILY STAR, KOLD AND
KVOA, THE JON JUSTICE SHOW, THE EXPLORER AND A RANGE OF OTHER MEDIA
OUTLETS.

TUCSON GOVERNANCE ACTION TEAM

- THE BOARD OF DIRECTORS AT ITS MAY 5 MEETING CREATED A NEW SALC ACTION
TEAM TO EXPLORE WAYS TO IMPROVE TUCSON CITY GOVERNMENT. SI SCHORR AND
DUFF HEARON WERE NAMED CO-CHAIRS OF THE TUCSON GOVERNANCE ACTION TEAM.

- THE TUCSON GOVERNANCE ACTION TEAM UNDERTOOK A STUDY TO DETERMINE

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WHETHER IMPROVEMENTS ARE NEEDED IN TUCSON GOVERNMENT, AND IF SO,
WHETHER SALC AND OTHER GROUPS COULD PLAY A ROLE IN BRINGING THE
IMPROVEMENTS ABOUT. THE INITIAL STEPS CONSISTED OF INTERVIEWING THE
MAYOR, CITY COUNCIL MEMBERS, THE CITY MANAGER AND THREE FORMER CITY
MANAGERS, AS WELL AS A NUMBER OF AIDES. THE RESULTING INTERIM REPORT
SUGGESTED SEVERAL PRELIMINARY RECOMMENDATIONS FOR IMPROVING TUCSON
GOVERNANCE.

- OCT. 13, THE SALC BOARD GAVE AN INITIAL VOTE OF CONFIDENCE TO THE
TUCSON GOVERNANCE PROJECT.

- IN A RELATED STEP, EARLIER IN THE YEAR, SALC FORMALLY SUPPORTED
SENATE BILL 1123, WHICH WAS INTRODUCED BY SEN. JONATHAN PATON. IT
REQUIRED ALL CITIES IN ARIZONA TO CONDUCT NONPARTISAN ELECTIONS FOR
CITY COUNCIL. GOV. BREWER SIGNED THE BILL ON JULY 13.

- THE CITY OF TUCSON FILED AN OBJECTION TO THE NEW LAW WITH THE U.S.
DEPARTMENT OF JUSTICE AND FILED A LAWSUIT IN ARIZONA COURTS AGAINST THE
LAW. SALC INTERVENED IN BOTH ACTIONS ON BEHALF OF THE STATE. IN
OCTOBER, THE DEPARTMENT OF JUSTICE PRECLEARED THE LAW, STATING THAT AT
THAT TIME, IT HAD NO OBJECTIONS TO THE LAW. THE LAWSUIT CONTINUES TO BE
WORKING ITS WAY TOWARD ITS DAY IN COURT.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

BIOSCIENCE ACTION TEAM

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- SALC'S UNWAVERING SUPPORT FOR SCIENCE FOUNDATION ARIZONA WAS SHOWN TO BE A VALUABLE IDEA WHEN IN A REPORT CARD, BATTELLE, THE WORLD'S LARGEST NON-PROFIT INDEPENDENT RESEARCH FIRM, SAID FOR EVERY \$1 AWARDED SFAZ FROM PUBLIC AND PRIVATE RESOURCES, IT HAS RECEIVED COMMITMENTS OF AN ADDITIONAL \$1.18 FROM INDUSTRY PARTICIPANTS, VENTURE CAPITAL, FEDERAL GRANT AWARDS AND NONPROFIT FUNDING.

- THANKS TO THE LEADERSHIP OF SALC MEMBERS LESLIE TOLBERT AND HANY MASSARANY, THE OLD REGION-WIDE SOUTHERN ARIZONA BIOSCIENCE STEERING COMMITTEE RECREATED ITSELF AS THE BIOSCIENCE LEADERSHIP COUNCIL OF SOUTHERN ARIZONA AND ADOPTED A FORMAL CHARTER TO PROVIDE CLEAR DIRECTION AND ACCOUNTABILITY. SALC HAS BEEN THE DRIVING FORCE BEHIND THE REGION'S BIOSCIENCE EFFORTS SINCE 2006. THE BLCSA IS AN EXCELLENT EXAMPLE OF SALC UNITING DIVERSE SEGMENTS OF THE REGION'S BUSINESS COMMUNITY TO WORK FOR MEANINGFUL RESULTS.

- ON JUNE 22, BLCSA HOSTED NEW FLINN FOUNDATION CEO JACK JEWETT. SALC CONTINUES TO PLAY A LEADERSHIP ROLE IN SUPPORTING BOTH THE SOUTHERN ARIZONA AND STATEWIDE BIOSCIENCE ROADMAPS, WHICH ARE A MAJOR FLINN FOUNDATION PROJECT.

- IN JULY, IT BECAME CLEAR THAT SCIENCE FOUNDATION ARIZONA HAD DELIVERED ON ITS PROMISE TO SOUTHERN ARIZONA. A TOTAL OF \$43.8 MILLION - MORE THAN HALF THE TOTAL - OF SFAZ GRANTS HAVE BEEN AWARDED TO SOUTHERN ARIZONA. SALC MEMBERS DON BUDINGER AND GARY JONES LED THE EFFORT FOR SALC WITH THE ASSISTANCE OF JANNIE COX.

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- AFTER EIGHT YEARS OF HARD WORK BY SALC MEMBER BRUCE WRIGHT AND HIS STAFF, THE UA BIO PARK GAINED A \$4.7 MILLION STIMULUS AWARD AND PLANNED ITS OFFICIAL START. THIS WAS THE LARGEST GRANT EVER GIVEN TO A RESEARCH PARK.

- THE CREATION OF ARIZONA'S FIRST FUND OF FUNDS, THE BRAINCHILD OF SALC MEMBER HARRY GEORGE, WAS A SIGNIFICANT ACCOMPLISHMENT. BY YEAR'S END, IT HAD RESULTED IN BUILDING MILLIONS OF NEW INVESTMENT DOLLARS FOR ARIZONA. GEORGE INITIALLY BROUGHT THE IDEA TO THE BIOSCIENCE ACTION TEAM. SALC MEMBER PAUL BONAVIA PLAYED A MAJOR ROLE IN THE SELECTION OF SUN MOUNTAIN OPPORTUNITY FUND TO OVERSEE THE ARIZONA FUND.

- THE ACTION TEAM LOBBIED HARD WITH THE LEGISLATURE FOR SCIENCE FOUNDATION ARIZONA, THE SPEED PACKAGE FUNDING FOR THE PHOENIX MEDICAL SCHOOL, AND LOCALLY FOR THE CRITICAL PATH INSTITUTE.

TUCSON REGIONAL TOWN HALL

- THE TUCSON REGIONAL TOWN HALL'S INTERIM REPORT CELEBRATED TWO YEARS OF ACCOMPLISHMENT. THE REPORT SUMMARIZED EACH OF THE SIX COMMUNITY CONVERSATIONS THAT FOLLOWED THE INITIAL TOWN HALL. IT CONCLUDED: "THE COOPERATIVE SPIRIT DRIVING THE TOWN HALL PROCESS HAS THE POTENTIAL TO PROPEL TUCSON INTO A MUCH BRIGHTER FUTURE."

- EDUCATION TOPS THE COMMUNITY'S LIST OF PRIORITIES, WHILE ARTS AND

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CULTURE ARE IMPORTANT ASPECTS OF A HIGH QUALITY OF LIFE, ACCORDING TO
TWO NEW COMMUNITY VOICE SURVEYS RELEASED EARLY IN THE YEAR BY THE
TUCSON REGIONAL TOWN HALL.

- ON NOV. 2, THE METROPOLITAN PIMA ALLIANCE AWARDED SALC INITIATIVES
TWO COMMON GROUND AWARDS. THE FIRST WAS AWARDED TO THE TUCSON REGIONAL
TOWN HALL FOLLOW-UP MEETING AS THE YEAR'S BEST EVENT, FOR A MEETING
TITLED "CRAFTING TOMORROW'S BUILT ENVIRONMENT: A COMMUNITY CONVERSATION
ON REGIONAL LAND USE." THE SECOND AWARD WENT TO TUCSON VALUES TEACHERS
AS THE OUTSTANDING PROGRAM OF THE YEAR.

FORM 990, PART VI, SECTION A, LINE 2: MIKE HAMMOND, CHRIS MONSON, AND
JOHN MUNGER HAVE A BUSINESS RELATIONSHIP.
KEN ABRAHAMS AND CHRIS MONSON HAVE A BUSINESS RELATIONSHIP.
LARRY ALDRICH AND STEVE LYNN HAVE A BUSINESS RELATIONSHIP.

FORM 990, PART VI, SECTION A, LINE 6: AN ACTIVE MEMBER MUST BE THE CHIEF
EXECUTIVE OFFICER OR A SENIOR OFFICIAL OF A CORPORATION LOCATED IN ARIZONA
OR A SENIOR PARTNER IN A LEGAL, ACCOUNTING, OR PROFESSIONAL FIRM. THE
PARTICIPATION IN THE COUNCIL FROM ANY ONE COMPANY IS TO BE THE SENIOR
INDIVIDUAL IN THE FIRM. THOSE WHO DO NOT SPECIFICALLY FIT THESE CATEGORIES
MAY BE CONSIDERED BASED UPON THEIR ABILITY TO MAKE A SIGNIFICANT
CONTRIBUTION TO THE COMMUNITY. ACTIVE MEMBERS PAY ANNUAL DUES AND ARE
ENTITLED TO VOTE ON THE ELECTION OF DIRECTORS AND UPON ISSUES RELATING TO
THE PAYMENT OF DUES. SALC MAY ALSO RECOGNIZE MEMBERSHIP BY MEMBERS EMERITI
OR MEMBERS OF THE COMMUNITY HOLDING SIGNIFICANT POSITIONS.

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FORM 990, PART VI, SECTION A, LINE 7A: THE NOMINATION AND ELECTION OF
DIRECTORS TAKES PLACE AT THE ANNUAL MEETING OF THE MEMBERS. BALLOTS ARE
CAST BY CURRENTLY ACTIVE MEMBERS PRESENT AT THE ANNUAL MEETING AND BALLOTS
SUBMITTED BY MAIL, EMAIL OR FACSIMILE TRANSMISSION RECEIVED BY SALC PRIOR
TO THE COMMENCEMENT OF THE MEETING.

FORM 990, PART VI, SECTION B, LINE 11: A DRAFT FORM 990 IS REVIEWED BY THE
EXECUTIVE DIRECTOR PRIOR TO FILING. IT IS ALSO PROVIDED TO ALL MEMBERS OF
THE GOVERNING BODY, AND THEY ARE GIVEN AN OPPORTUNITY TO COMMENT BEFORE
FILING.

FORM 990, PART VI, SECTION B, LINE 15A: COMPENSATION FOR THE BOARD
PRESIDENT IS BASED ON COMPARABILITY DATA FROM SIMILARLY QUALIFIED PERSONS
IN COMPARABLE POSITIONS OF NONPROFIT ORGANIZATIONS IN SOUTHERN ARIZONA. THE
DATA WAS OBTAINED USING PUBLICLY AVAILABLE FORMS 990. THE COMPENSATION WAS
LAST REVIEWED AND APPROVED BY THE GOVERNING BODY ON DECEMBER 15, 2009.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES ITS
GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS
AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 1:
THE ACCOUNTING METHOD FOR 2009 HAS BEEN CHANGED FROM CASH TO ACCRUAL
BASIS. THE NET ADJUSTMENT IS A \$132,500 DECREASE TO NET ASSETS. THE
AMOUNT IS REFLECTED AT PART IX LINE 24A.

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 ☒ X
- 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 SOUTHERN ARIZONA LEADERSHIP COUNCIL, INC.	Employer identification number 86-0879845
	Number, street, and room or suite no. If a P O box, see instructions. 4400 EAST BROADWAY, NO. 307	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. TUCSON, AZ 85711	

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

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

RON SHOOPMAN

- The books are in the care of ►
- 4400 E. BROADWAY, SUITE 307 - TUCSON, AZ 85711**

Telephone No ► **(520) 327-7619**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 **AUGUST 15, 2010**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☒ calendar year **2009** or► ☐ tax year beginning _____, and ending _____

- 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	\$
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	\$
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	\$ N/A

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

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		Employer identification number
	SOUTHERN ARIZONA LEADERSHIP COUNCIL, INC.		86-0879845
	Number, street, and room or suite no. If a P.O. box, see instructions		For IRS use only
	4400 EAST BROADWAY, NO. 307		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions		
	TUCSON, AZ 85711		

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

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

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

PAM DUNCAN

- The books are in the care of **4400 E. BROADWAY, SUITE 307 - TUCSON, AZ 85711**
 Telephone No. **(520) 327-7619** 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 **NOVEMBER 15, 2010.**
- 5 For calendar year **2009**, or other tax year beginning _____ and ending _____.
- 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

ADDITIONAL TIME IS NEEDED TO COMPILE THE NECESSARY INFORMATION TO FILE A COMPLETE AND ACCURATE RETURN.

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	\$
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	\$
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	\$ N/A

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  Title **CPA** Date **8-12-10**

Form **8868** (Rev. 4-2009)

Application for Change in Accounting Method

OMB No 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions)
SOUTHERN ARIZONA LEADERSHIP COUNCIL, INC.		86-0879845
Number, street, and room or suite no. If a P.O. box, see the instructions		Principal business activity code number (see instructions)
4400 EAST BROADWAY, SUITE 307		541900
City or town, state, and ZIP code		Tax year of change begins (MM/DD/YYYY) 1/1/2009
TUCSON, AZ 85711		Tax year of change ends (MM/DD/YYYY) 12/31/2009
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions)
		KELLY L. MELTZER, CPA
		Contact person's telephone number
		(520) 321-4600

If the applicant is a member of a consolidated group, check this box ☐

If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☒

Check the box to indicate the type of applicant. <input type="checkbox"/> Individual <input type="checkbox"/> Cooperative (Sec. 1381) <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Controlled foreign corporation (Sec. 957) <input type="checkbox"/> S corporation <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) <input type="checkbox"/> Insurance co. (Sec. 816(a)) <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) <input type="checkbox"/> Insurance co. (Sec. 831) <input checked="" type="checkbox"/> Exempt organization Enter Code section <input type="checkbox"/> Other (specify) ▶		Check the appropriate box to indicate the type of accounting method change being requested. (see instructions) <input type="checkbox"/> Depreciation or Amortization <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions <input checked="" type="checkbox"/> Other (specify) ▶ CHANGE TO ACCRUAL METHOD OF ACCOUNTING
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Caution. To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

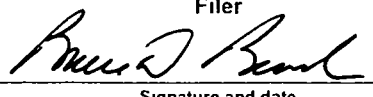

The taxpayer must attach all applicable supplemental statements requested throughout this form.

Part I Information For Automatic Change Request		Yes	No
1	Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions.		
▶ (a) Change No. 122 (b) Other <input type="checkbox"/> Description ▶			
2	Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.		X
Note. Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).			

Part II Information For All Requests		Yes	No
3	Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		X
4a	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5.		X
b	Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		N/A

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer  Signature and date BRUCE D. BEACH, TREASURER <i>Chairman</i> Name and title (print or type)	Preparer (other than filer/applicant)  Signature of individual preparing the application and date KELLY L. MELTZER, CPA Name of individual preparing the application (print or type) BEACHFLEISCHMAN PC Name of firm preparing the application
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Part II Information For All Requests (continued)

Yes	No
	N/A
	N/A
	N/A
	N/A
	N/A
	X
	N/A
	N/A
	N/A
	X
	X
	X
X	

4c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?

d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)?

If "Yes," attach the consent statement from the director

e Is the request to change the method of accounting being filed under the 90-day or 120-day window period?

If "Yes," check the box for the applicable window period and attach the required statement (see instructions)

☐ 90 day ☐ 120 day Date examination ended ▶ _____

f If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination

Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____

g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?

5a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court?

If "Yes," enter the name of the (check the box) ☐ Appeals officer and/or ☐ counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court

Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____

b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?

c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)?

If "Yes," attach an explanation

6 If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court

7 If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity?

If "Yes," the applicant is **not** eligible to make the change

8a Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?

b If "Yes," attach an explanation

9a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?

b If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent

c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation

10a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?

b If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s)

11 Is the applicant requesting to change its **overall** method of accounting?

- If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form

Present method: ☒ Cash ☐ Accrual ☐ Hybrid (attach description)

Proposed method: ☐ Cash ☒ Accrual ☐ Hybrid (attach description)

Part II Information For All Requests (continued)						Yes	No
12	If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following						
a	The item(s) being changed						
b	The applicant's present method for the item(s) being changed.						
c	The applicant's proposed method for the item(s) being changed						
d	The applicant's present overall method of accounting (cash, accrual, or hybrid).						
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe whether each trade or business is accounted for separately, the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business, and which trade or business is requesting to change its accounting method as part of this application or a separate application. STATEMENT 1						
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions					X	
	If "No," attach an explanation						
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?						X
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application						
16	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?					X	
17	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change						
	1st preceding year ended mo DEC	yr 2008	2nd preceding year ended mo DEC	yr 2007	3rd preceding year ended mo DEC	yr 2006	
	\$	300,619	\$	621,679	\$	404,698	

Part III Information For Advance Consent Request N/A						Yes	No
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request?						
	If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures						
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists						
20	Attach a copy of all documents related to the proposed change (see instructions)						
21	Attach a statement of the applicant's reasons for the proposed change						
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed?						
	If "No," attach an explanation						
23a	Enter the amount of user fee attached to this application (see instructions) ▶ \$						
b	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions)						

Part IV Section 481(a) Adjustment						Yes	No
24	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment?						X
	If "Yes," do not complete lines 25, 26, and 27 below						
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income ▶ \$ (132,500). Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant EXHIBIT 1						

Part IV Section 481(a) Adjustment (continued)		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		N/A
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?		X
If "Yes," attach an explanation			

Schedule A—Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)		Amount
1	Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.	
a	Income accrued but not received (such as accounts receivable) EXHIBIT 2	\$ 297,500
b	Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method.	NONE
c	Expenses accrued but not paid (such as accounts payable)	NONE
d	Prepaid expenses previously deducted	NONE
e	Supplies on hand previously deducted and/or not previously reported	NONE
f	Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II.	NONE
g	Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ACCRUED INCOME EXHIBIT 2	(430,000)
h	Net section 481(a) adjustment (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (–) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$ (132,500)
2	Is the applicant also requesting the recurring item exception under section 461(h)(3)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3	Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences. SEE ATTACHMENT 2	

Part II Change to the Cash Method For Advance Consent Request (see instructions) N/A	
Applicants requesting a change to the cash method must attach the following information:	
1	A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
2	An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B—Change to the Deferral Method for Advance Payments (see instructions) N/A

1	If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
a	A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
b	If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)–(c) of Rev. Proc. 2004-34.
c	If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)–(f) of Rev. Proc. 2004-34.
2	If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following:
a	A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
b	A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
c	A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
d	A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

Schedule C—Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information** N/A

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items
 - a Valuing inventory (e.g., unit method or dollar-value method)
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.)
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.)
 - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method)
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970

Part II Change in Pooling Inventories N/A

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2)
 - a A description of the types of products produced by the applicant. If possible, attach a brochure
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3)
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c)

Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions) **N/A**

Part I **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
 - 2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
 - b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No
If line 2b is "No," attach an explanation.
 - c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
 - d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
 - 3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
 - b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
 - c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
 - 4 To determine a contract's completion factor using the percentage-of-completion method:
 - a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
 - b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
 - 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II	Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8) N/A
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- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)?
If "No," attach a detailed explanation ☐ Yes ☐ No

- 4a** Check the appropriate boxes below

Identification methods

Specific identification

FIFO

LIFO

Other (attach explanation)

Valuation methods

Cost

Cost or market, whichever is lower

Retail cost

Retail, lower of cost or market

Other (attach explanation)

- b Enter the value at the end of the tax year preceding the year of change

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- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions)
- a Copies of Form(s) 970 filed to adopt or expand the use of the method
- b **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method
- c **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev Proc 2008-52 (or its successor)

[illegible]

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)). N/A

Section A—Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method)
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method)
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B—Direct and Indirect Costs Required To Be Allocated

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs)		

Part III Method of Cost Allocation (see instructions) (continued) N/A**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included in Section B, line 26		
3 Bidding expenses not included in Section B, line 22		
4 General and administrative costs not included in Section B		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11		
11 Other costs (Attach a list of these costs)		

Schedule E—Change in Depreciation or Amortization (see instructions) N/A

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

Note. See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii)
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No
If "Yes," enter the applicable section ▶ _____
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? ☐ Yes ☐ No
If "Yes," state the election made ▶ _____
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? ☐ Yes ☐ No
- c Is the property public utility property? ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.)
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g))
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L, the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS), an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant
 - c The facts to support the asset class for the proposed method
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1))
 - e The useful life, recovery period, or amortization period of the property
 - f The applicable convention of the property
 - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

Southern Arizona Leadership Council, Inc
EIN: 86-0879845
December 31, 2009
Form 3115 Attachment

Statement 1 – Form 3115, Part II, Line 13

Part II, Line 13. Southern Arizona Leadership Council is a nonprofit corporation exempt from federal income tax under IRC Section 501(c)(6). The mission of the organization is to improve the greater Tucson area and the State of Arizona by bringing together resources and leadership to enhance the economic climate and the quality of life in the Tucson community, and attract and retain high quality, high wage jobs. The business activity code for this activity is 541900.

OTHER REQUIRED INFORMATION

The applicant will claim the entire Section 481(a) adjustment in one (1) taxable year in accordance with Revenue Procedure 2008-52, Section 5.04.

Taxpayer hereby agrees to all terms and conditions in Revenue Procedure 2008-52 (as modified by Rev. Proc. 2009-39), and Revenue Procedure 2007-16.