Consolidated Financial Statements
December 31, 2020

Community Foundation of Western Nevada, Incorporated and Subsidiaries

Independent Auditor's Report

To the Board of Directors
Community Foundation of Western Nevada,
Incorporated and Subsidiaries
Reno, Nevada

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of the Community Foundation of Western Nevada, Incorporated (a nonprofit organization) and Subsidiaries which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Western Nevada, Incorporated and Subsidiaries as of December 31, 2020 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the 2019 consolidated financial statements of Community Foundation of Western Nevada, Incorporated and Subsidiaries, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Eide Bailly LLP

Reno, Nevada
October 15, 2021

Community Foundation of Western Nevada, Incorporated and Subsidiaries

Consolidated Statement of Financial Position

December 31, 2020

(with comparative totals for December 31, 2019)

	2020	2019
Assets		
Cash and cash equivalents	$ 11,609,182	$ 6,468,387
Investments		
Current	61,688,317	61,619,296
Long-term	47,880,607	44,940,193
Other assets	38,886	27,625
Contributions and pledges receivable	1,060,506	1,321,855
Property and equipment, net	4,662,607	4,692,543
Investments held for split-interest agreements	10,280,688	9,620,041
Total assets	$ 137,220,793	$ 128,689,940
Liabilities		
Accounts payable	$ 52,679	$ 735,876
Split-interest agreements	4,866,415	4,550,618
Accrued payroll	41,116	29,679
Grants payable	3,564,627	3,462,854
Funds held for others	25,123	35,783
Notes payable	2,000,000	2,001,164
Total liabilities	10,549,960	10,815,974
Net Assets		
Without donor restrictions		
Designated donor advised	34,592,914	38,026,287
Designated endowment reserves	1,271,174	1,216,654
Undesignated	25,587	478,063
With donor restrictions		
Specified program	69,099,473	59,141,094
Endowment	21,684,771	19,014,281
Underwater Endowment	(3,086)	(2,413)
Total net assets	126,670,833	117,873,966
Total Liabilities and Net Assets	$ 137,220,793	$ 128,689,940

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public Support, Revenue and Transfers				
Contributions	$ 1,050,868	$ 8,565,909	$ 9,616,777	$ 11,864,962
Rental income	391,713	-	391,713	337,020
Investment income, net	2,960,479	6,994,791	9,955,270	11,245,247
Change in the value of split-interest agreements	342,283	-	342,283	1,757,130
Administrative fee income	112,296	-	112,296	90,153
Miscellaneous income	606,165	-	606,165	800,750
Total public support and revenue	5,463,804	15,560,700	21,024,504	26,095,262
Net assets released from restrictions and reclassifications	2,932,504	(2,932,504)	-	-
Total public support, revenue, and transfers	8,396,308	12,628,196	21,024,504	26,095,262
Expenses				
Program services and grants	11,426,565	-	11,426,565	14,070,074
General and administrative	553,179	-	553,179	598,418
Fundraising	247,893	-	247,893	247,456
Total expenses	12,227,637	-	12,227,637	14,915,948
Change in Net Assets	(3,831,329)	12,628,196	8,796,867	11,179,314
Net Assets at Beginning of Year	39,721,004	78,152,962	117,873,966	106,694,652
Net Assets at End of Year	$ 35,889,675	$ 90,781,158	$126,670,833	$117,873,966

	2020				2019
	Program Services and Grants	General and Administrative Expenses	Fundraising Expenses	Total	Total
Grant Expenses					
Grants voted	$10,479,128	$ -	$ -	$10,479,128	$12,553,761
Grants to individuals	-	-	-	-	495,998
Grants international	-	-	-	-	-
Total grant expenses	10,479,128	-	-	10,479,128	13,049,759
Other Expenses					
Salaries	332,343	332,343	166,172	830,858	813,138
Employee benefits	40,408	40,408	20,204	101,020	87,283
Payroll taxes	24,977	24,977	12,488	62,442	68,030
Consulting services	-	12,055	-	12,055	76,067
Accounting services	-	45,338	-	45,338	27,442
Advertising	12,413	-	-	12,413	18,581
Office	10,841	10,841	5,421	27,103	29,150
Information technology	25,263	25,263	12,631	63,157	72,838
Occupancy	23,375	23,375	11,688	58,438	57,013
Travel	4,725	-	-	4,725	10,903
Conference fees	8,682	-	-	8,682	9,979
Interest	6,515	6,515	3,257	16,287	2,515
Depreciation	28,634	28,634	14,317	71,585	99,207
Insurance	3,429	3,430	1,715	8,574	8,100
Initiative expenses	6,362	-	-	6,362	21,085
Direct fund expenses for specific funds	384,603	-	-	384,603	414,292
All other expenses	34,867	-	-	34,867	50,566
Total other expenses	947,437	553,179	247,893	1,748,509	1,866,189
Total functional expenses	$11,426,565	$ 553,179	$ 247,893	$12,227,637	$14,915,948

	2020	2019
Reconciliation of Change in Net Assets to Net Cash from Operating Activities		
Change in net assets	$ 8,796,867	$ 11,179,314
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	71,585	99,207
Noncash contributions, net	(2,857,785)	(5,368,234)
Net realized and unrealized loss (gain) on investments	(8,480,475)	(8,364,449)
Contributions received from PPP Loan	(168,920)	-
Contributions received for capital projects	-	(1,415,419)
Contributions received for endowment	(2,254,974)	(904,423)
Contribution of fixed asset, net of related transferred debt	-	6,130,710
Changes in		
Other assets	(11,261)	(2,875)
Contributions and pledges receivable	261,349	109,145
Accounts payable	(683,197)	231,438
Accrued payroll	11,437	2,165
Grants payable	101,773	(3,126,046)
Net Cash used for Operating Activities	(5,213,602)	(1,429,467)
Investing Activities		
Purchase of property and equipment	(41,649)	(5,236,317)
Purchase of investments	(25,526,730)	(11,591,802)
Proceeds from PPP Loan	168,920	-
Proceeds from sale of investments	33,500,046	15,282,457
Net Cash from (used for) Investing Activities	8,100,587	(1,545,662)
Financing Activities		
Contributions received for capital projects	-	1,415,419
Contributions received for endowment	2,254,974	904,423
Principal payments notes payable	(1,164)	(133,090)
Net Cash used for Investing Activities	2,253,810	2,186,752
Change in Cash and Cash Equivalents	5,140,795	(788,377)
Cash and Cash Equivalents, Beginning of Year	6,468,387	7,256,764
Cash and Cash Equivalents, End of Year	$ 11,609,182	$ 6,468,387
Supplemental Disclosure		
Noncash investing activities		
Donation of real estate and stock held for investment	$ 2,857,785	$ 5,368,234
Cash paid for interest	16,287	2,516
Issuance of debt for purchase of construction in progress	-	821,356

Note 1 - Principle Activity and Significant Accounting Policies

A summary of the Community Foundation of Western Nevada, Incorporated and Subsidiaries, (Foundation) activities and significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Organization

The Foundation is organized as a nonprofit corporation under the laws of the State of Nevada to complement and enhance the existing philanthropic efforts of nonprofit organizations.

During 2000, the Foundation received a contribution of a limited liability company, CFX, LLC. This wholly-owned subsidiary has partial ownership in a leasehold, which is a building leased out to grocery stores in Tennessee.

During 2003, the Foundation established CFCP, LLC. This wholly-owned subsidiary was created for the purpose of receiving donated property.

During 2011, the Foundation established CFRSO, LLC. This wholly-owned subsidiary received varying fractional memberships of five separate LLCs. The memberships were created from the voluntary conversion of fractional ownership positions in direct investment loans as notes receivables secured by real estate. Currently they have all been converted to fractional interest in LLC’s.

During 2018, the Foundation established the Community Housing Land Trust, LLC (CHLT). This wholly-owned subsidiary was created for the purpose of receiving donated land and related buildings to be constructed.

The Raymond C. Rude Supporting Foundation is a supporting organization for the Foundation.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and its wholly-owned subsidiaries, CFX, LLC; CFCP, LLC; CFRSO, LLC; CHLT, LLC and the Raymond C. Rude Supporting Foundation. All material intercompany accounts and transactions have been eliminated.

Summarized Comparative Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization’s audited consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash Equivalents

For financial reporting purposes, the Foundation considers all money market and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts.

The Foundation receives a substantial portion of its revenue from contracts and grants. The Foundation's operations are significantly dependent upon this revenue. Any reductions in funding amounts could have an adverse effect on the Foundation's ability to continue to provide the services currently offered. Contributions receivable are due from parties supportive of the Foundation's mission and credit risk from these assets are considered limited.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return/(loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. The Foundation has elected the fair value option on investments considered to be other investments.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their face value, which approximates the estimated realizable value in the year made. Unconditional promises to give that are expected to be collected in future years are recorded as pledges receivable. The contribution receivables are considered fully collectible by management; therefore, no allowance for doubtful accounts is included in the consolidated financial statements.

Property and Equipment

The Foundation capitalizes all expenditures of property and equipment in excess of $1,000.

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of three to thirty-nine years.

The Foundation evaluates the recoverability of its long-lived assets based on whether a particular asset is impaired. An asset is considered impaired if the net book value of such assets exceeds the future undiscounted cash flows attributable to such assets. Accordingly, the Foundation evaluates asset recoverability at each consolidated statement of financial position date or when an event occurs that may impair recoverability of the asset. There were no indicators of asset impairment during the year ended December 31, 2020.

Assets Held and Liabilities under Split-Interest Agreements

Charitable Trusts

The Foundation acts as trustee for various irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. The irrevocable trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions, and net assets with donor restrictions that are perpetual in nature are transferred to the endowment. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year.

Charitable Gift Annuities

Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year.

Contributions received for split-interest agreements were $176,548 and $3,117,500 for the years ended December 31, 2020 and 2019, respectively.

Grants Payable

Grants and scholarships are made from available principal and income in accordance with the designations of donors. Grants are recorded at the date of approval by the Board or when a donor-advised grant award is communicated to the grantee.

Funds Held for Others

Funds held for others represent agency funds in which the donor is a qualified nonprofit organization and names themselves as the sole beneficiary of the fund, thus the contribution does not meet the criteria for recognition as a net asset transaction and is carried as a liability to the contributing organization. Investment income, net of investment expenses and a management fee, are allocated directly to the associated funds.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for donor advised grants and net assets for an operating reserve that serve to fund for potential cash flow shortages. The Board may change the designation of these net assets in the future

Net Assets With Donor Restrictions – Net assets subject to donor restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Donor-advised funds are gifts to the Foundation which are held and administered by the Foundation pursuant to written agreements with the donors. These agreements include the consideration of grants advised or recommended by the donor. While ultimate responsibility for disposition of these funds rests with the Foundation, every effort is made to seek the ongoing advice of the donor in order to effectuate the donor's intentions most closely. Donor-advised funds are subject to a variance power which provides the Foundation a way to administer funds that are no longer able to continue being used as originally intended. The Foundation plans to follow the intentions of the donor requests, except when the purpose for which the funds were created has become obsolete, without donor restrictions or incapable of fulfillment. Most of the Foundation's donor-advised funds are classified as without donor restrictions because they do not have specific restrictions on purpose or time. Current year contributions of donor-advised funds are reflected in the consolidated statement of activities in the accompanying financial statements.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, payroll taxes, office, information technology, occupancy, interest, depreciation, and insurance which are allocated on the basis of estimates of time and effort.

Income Taxes

The Foundation is organized as a Nevada nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. CFX, LLC; CFCP, LLC; CFRSO, LLC, and CHLT, LLC are all considered single member LLC's and are disregarded entities for tax purposes. They are included in the information return of the Foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Foundation determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Contributions and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restrictions.

Contributed securities are recorded at averaged fair value at the date of donation.

Revenue from rental income and administrative fee income is considered earned as services are provided in accordance with the terms of the agreement.

Estimates

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

Subsequent Events

Subsequent events have been evaluated through October 15, 2021, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, Leases. The new standard requires lessees to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. The new guidance will require the asset and the liability to be initially measured at the present value of the lease payments in the consolidated statement of financial position. The new guidance will also require the Foundation to recognize interest expense on the lease liability separately from the amortization of the right-use-asset for finance leases and recognize a single lease cost allocated on a straight-line basis over the term of the lease term for operating leases, in the consolidated statement of comprehensive income. This ASU is effective for annual reporting periods beginning after December 15, 2021. The Foundation is currently evaluating this guidance to determine the impact it may have on the consolidated financial statements.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2020:

Cash and equivalents	$ 128,855
Current investments	605,047
Contributions receivable	90,493
	$ 824,395

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, except for the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was $605,541 as of December 31, 2020.

Note 3 - Investments

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of an input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds, equity securities, corporate bonds, and exchange traded funds with readily determinable fair values based on daily redemption values. The Foundation invests in certificates of deposit (CDs) traded in the financial markets. Those CDs, life insurance policies, and U.S. Government obligations are valued by the custodians of the investments using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

Non-publicly traded stock is based on the capitalized cash flow method performed by a licensed appraiser. Notes receivable, Violin and 49ers license are recorded at fair value, based upon appraisals of the underlying assets. LLC Ownerships, which hold real estate investments, are recorded at fair value determined by periodic appraisals which are obtained as deemed necessary based upon economic conditions and management discretion. LLC ownership values are based upon the assessed value of the property held less a blended discount rate of 30% for lack of marketability and minority interest. If actual information based on subsequent sale or comparable sale information is available, that value is deemed to be the fair value of the investment.

In general, investment securities are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

Investments are included in the consolidated statement of financial position as follows at December 31, 2020:

Investments	
Current	$ 61,688,317
Long-term	47,880,607
Investments held for split-interest agreements	10,280,688
	$ 119,849,612

Investments are categorized by level as follows at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 50,537,180	$ -	$ -	$ 50,537,180
Equity securities	18,604,813	-	-	18,604,813
Corporate bonds	856,871	-	-	856,871
Certificates of deposit	-	1,970,142	-	1,970,142
Life insurance policy	-	70,608	-	70,608
Real estate	-	17,810,882	-	17,810,882
Non-publicly traded stock	-		14,263,000	14,263,000
Notes receivable	-	-	1,057,834	1,057,834
LLC ownerships	-	-	509,609	509,609
49ers license	-	-	63,000	63,000
Violin	-	-	8,000	8,000
	69,998,864	19,851,632	15,901,443	105,751,939
Investments held at net asset value	-	-	-	14,097,673
	$ 69,998,864	$ 19,851,632	$ 15,901,443	$ 119,849,612

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2020:

	Non-publicly Traded Stock	Notes Receivable	LLC Ownerships	49ers License	Violin	Total
Beginning Balance	$14,263,000	$ 800,000	$ 639,234	$ 63,000	$ 8,000	$15,773,234
Purchases	-	472,418	75,142	-	-	547,560
Investment income	-	7,624	-	-	-	7,624
Sale of investments	-	(222,208)	(204,767)	-	-	(426,975)
Ending Balance	$14,263,000	$ 1,057,834	$ 509,609	$ 63,000	$ 8,000	$15,901,443

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at December 31, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Equity Fund	$ 8,004,394	$ -	Monthly	30 days
Credit Hedge Fund	4,214,928	-	Monthy/Semi-	20-120 days
Long/Short Hedge Funds	1,878,351	-	Quarterly	90 days
	$ 14,097,673	$ -		

Pooled Equity Fund – A portfolio of money from many individual investors that are aggregated for the purposes of investment. Mutual funds, hedge funds, exchange-traded funds, pension funds, and unit investment trusts are all examples of professionally managed pooled funds. Investors in pooled funds, benefit from economies of scale, which allow for lower trading costs per dollar of investment, and diversification.

Credit Hedge Funds – A fund that invests solely or primarily in debt instruments. Credit funds require a great deal of quantitative analysis as they look at the details of debt instruments and the likelihood of default for the underlying business. Their strategies can focus on distressed investing, credit long /short, and emerging market debt investing.

Long/Short Hedge Funds – Funds that can invest long and short, primarily in common stocks. Fund managers may invest in value, growth, or event-driven equity opportunities and typically are not restricted by market capitalization, industry sector, or geography. Leverage may be utilized, which can magnify changes in the values of the underlying securities.

Note 4 - Contributions and Pledges Receivable

Unconditional promises to give are estimated to be collected as follows at December 31, 2020:

Within one year	$ 777,706
In one to five years	282,800
	$ 1,060,506

At December 31, 2020, two donors accounted for 85 percent of total contributions and pledges receivable.

Note 5 - Property and Equipment

Property and equipment consist of the following at December 31, 2020:

Software	$ 66,114
Office equipment	48,073
Leasehold improvements	120,431
Rental property	1,829,296
Land	3,751,954
Accumulated depreciation	(1,153,261)
	$ 4,662,607

Note 6 - Grants Payable

Grants payable represent promises to give to qualifying organizations. The following amounts are scheduled to be paid at December 31, 2020:

Due in one year	$ 2,904,729
Due in two to five years	659,898
	$ 3,564,627

Note 7 - Lease Transactions

The Foundation entered into a new lease agreement to lease office space in Reno, Nevada with payments through December 2025 with a starting monthly amount of $5,084 per month, increasing by 3% annually. In addition, the Foundation leases a copier for $213 per month. Rent expense, included in occupancy and office expense in the accompanying consolidated financial statements for these leases totaled $60,729 for the year ended December 31, 2020.

Minimum future rental payments under the non-cancelable operating lease for the remaining term of the current lease and subsequent lease is as follows:

Years Ending December 31,	
2021	$ 65,024
2022	66,872
2023	68,721
2024	70,570
2025	71,413
	$ 342,600

Note 8 - Notes Payable and Lease Agreement

Notes payable consist of the following at December 31, 2020:

Note payable to Nevada Housing Division, due in monthly fixed payments of $16,500 at 0%, beginning January 2031 and due in full August 2040	$ 2,000,000

Future maturities of notes payable are as follows:

Years Ending December 31,	
2021	$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	2,000,000
	$ 2,000,000

Note 9 - Transactions in Funds Held for Others

Financial activities related to agency funds are recorded as adjustments to the funds held for agencies' liabilities and, therefore, are not included in the consolidated statement of activities. The agency fund transactions are summarized below for the year ended December 31, 2020:

Funds held for agencies, beginning of year	$ 35,783
Additions	
Contributions	-
Investment returns	121,917
Gifts and bequests	1,041,659
	1,163,576
Deductions	
Grant distributions	(5,000)
Investment expenses	(1,777)
Interfund grant	(1,158,993)
Expenses to funds	(8,466)
	(1,174,236)
Change in balance	(10,660)
	$ 25,123

Note 10 - Endowment Funds

The Foundation's endowment (the Endowment) consists of approximately 74 individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors.

The Board of Directors has interpreted the Nevada Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The Foundation's endowment consists of funds established to finance grants and benefit various charities. Its endowment includes donor-restricted funds that are reflected as endowments and scholarships in the temporarily restricted net assets and permanent endowments that are reflected as permanently restricted net assets. As required by the generally accepted accounting principles, net assets associated with endowment funds, including fund's designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Funds have been designated by the Board of Directors and committees of the Foundation for long-term purposes and are included in unrestricted, designated amounts.

As of December 31, 2020, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 1,216,654	$ 19,011,868	$ 20,228,522
Contributions	-	2,254,974	2,254,974
Investment return	104,652	1,501,193	1,605,845
Expenses			
Grants	(39,371)	(709,642)	(749,013)
Administrative expenses	(10,761)	(165,823)	(176,584)
Transfer of spendable resources	-	(210,885)	(210,885)
Endowment net assets, end of year	$ 1,271,174	$ 21,681,685	$ 22,952,859

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2020, funds with original gift values of $38,275, fair values of $35,189, and deficiencies of $3,086, were reported in net assets with donor restrictions.

Investment and Spending Policies

The Board of Trustees adopted an internal spending plan allowing up to 5% to be available of the value of each fund as of the close of the last day of December. When initially established, each individual fund adopts a spending policy. In the absence of a specific policy, the Foundation's internal spending policy would be utilized in any instance in which variance provision of the individual funds utilized. The spending policies adopted by the funds are established to ensure the availability of grant making dollars to the community in perpetuity. The funds available for grant making are determined each year based on the previous year's ending balance.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowments assets. Endowment assets include those assets of donor restricted funds that the Fund must hold for a donor specified period and includes the earnings of those funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a maximum return while assuming a moderate to low level of investment risk that will be measured based upon an annualized rate of return over a five-year continuous time period. The Community expects its endowment funds, over time, to provide a positive rate of return annually. Actual returns in any given year may vary.

Strategies Employed to Achieve Objectives: To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividend). The Foundation targets a diversified asset allocation that places an emphasis on balanced accounts by various asset classes including equity, real estate, fixed income instruments and cash equivalents.

Investment Objectives as Related to the Spending Policy

The Foundation's endowments have spending policies adopted as part of the initial agreements which appropriates a set percentage of its endowment funds value as of the end of the day on December 31 of the preceding year for the planned distribution year. In establishing these agreements, the Foundation considered the expected long-term rate of return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 5% net of inflation and all other investment expenses annually. This is consistent with the Foundation objective to maintain the purchasing power of the endowment assets held for a specific term as well as provide additional real growth through new gifts and investment return.

Change in endowment net assets for the year ended December 31, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,271,174	$ -	$ 1,271,174
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	18,279,356	18,279,356
Accumulated investment gains	-	3,402,329	3,402,329
	$ 1,271,174	$ 21,681,685	$ 22,952,859

Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2020 are as follows:

Subject to Expenditure for Specified Purpose	
Area of interest	$ 14,238,008
Designated	43,045,988
Donor advised	6,688,998
Scholarship	5,126,479
	69,099,473
Endowments	
Subject to appropriate and expenditures when a specified event occurs	7,112,349
Subject to NFP endowment spending policy and appropriation	14,569,336
Total endowments	21,681,685
	$ 90,781,158

Note 12 - Related Parties

For the year ending December 31, 2020, the Board of Directors and employees contributed $546,815, 6% of total contributions received, to the Foundation. In addition, members of the Board of Directors and employees maintain funds in the amount of $1,752,584, which represents 1% of the total fund balance.

Note 13 - Rental Property

During 2000, the Foundation received a contribution of a limited liability company, CFX, LLC. This contributed limited liability company has partial ownership of two separate leaseholds. The leaseholds consist of buildings located on land leased from a third party. The buildings are then subleased to grocery stores. During 2006, the Foundation reported an additional $84,085 in contributions to CFX, LLC.

The respective ownership interest in each of the properties has been consolidated into the books of the Foundation and has been included in property and equipment in the consolidated statement of financial position.

The rental buildings are located on land that are on ground leases expiring on December 1, 2021. The leases provide for renewal of five consecutively extended terms of five years each.

The minimum rental commitments under the ground leases are $16,746 for the year ending December 31, 2021. The rental income on the properties is received under two subleases in two separate entities. Future minimum sublease income is due is $72,837 for the year ended December 31, 2021.

In addition, the Foundation has several lots held in various LLC's in which they lease out on a month to month basis as needs arise to various entities. Rental income under subleases for the years ended December 2020 was $391,713.

Note 14 - Pension Plan

Employees may elect to participate in a 401k plan offered by the Foundation. The Foundation provides 100% match of the first 8% of employee's eligible wages. The Foundation contributed $53,743 to the pension plan for the years ended December 31, 2020.

Note 15 - Volunteers of America Agreement and Commitment

The Foundation, through the Community Housing Land Trust (a wholly owned LLC) constructed affordable low-income housing. The buildings were transferred over to Volunteers of America (VOA) in December 2019, but the Foundation retained the debt on part of the construction of the site. There were originally two separate debts, currently, one is held by the individual who sold the buildings to the Foundation and has a 75-year-term. That debt is now currently being paid by VOA after being transferred to them in December 2019. The second debt, which the Foundation is still paying, is held by the Nevada Housing Division, see note 8 for additional information. The Foundation is entitled to a monthly $3,000 land lease payment from VOA beginning in December 2019 when the transfer was made. This ground lease fee has been abated through January 2040 for VOA to pay down the two separate debts noted above as well as the following. The land was contributed to the Foundation by the City of Reno, and the Foundation retains the ownership of the land. The Foundation currently reports in the financial statements the land and improvements are reported at $3,800,000 while the Foundation debt is $2,000,000 (Nevada Housing Division).

Note 16 - Paycheck Protection Program (PPP) Loan

The Foundation was granted a $168,920 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Foundation initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized $168,920 as contribution revenue for the year ended December 31, 2020. In December 2020, the SBA notified the Foundation of the loan forgiveness.

Note 17 - Risks and Uncertainties

The Foundation has been monitoring the effects of the world-wide coronavirus pandemic and has seen an increase in contributions received and grants awarded for the pandemic relief efforts, and a decrease in investment market values as of October 15, 2021. The Foundation is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Foundation's financial position is not known.