

**NEVADA COMMUNITY FOUNDATION, INC.
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021**

The logo consists of a dark blue square with a white border. Inside the square, the letters "HRC" are written in a white, bold, sans-serif font.

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NEVADA COMMUNITY FOUNDATION, INC.
AND SUPPORTING ORGANIZATIONS
JUNE 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nevada Community Foundation, Inc. and
Supporting Organizations
Las Vegas, Nevada

Opinion

We have audited the accompanying consolidated financial statements of Nevada Community Foundation, Inc. and Supporting Organizations (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nevada Community Foundation, Inc. and Supporting Organizations as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nevada Community Foundation, Inc. and Supporting Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Community Foundation, Inc. and Supporting Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nevada Community Foundation, Inc. and Supporting Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Community Foundation, Inc. and Supporting Organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 8, 2022

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
Current assets		
Cash and cash equivalents	\$ 6,022,727	\$ 5,765,016
Cash and cash equivalents held by Greater Horizons	3,427,050	3,380,991
Investments	83,847,842	45,225,764
Investments held by Greater Horizons	150,367,795	173,539,477
Accounts receivable	12,000	9,500
Life insurance annuity receivable, current portion	69,462	-
Prepaid income taxes	52,559	1,367
Other current assets	30,846	240,389
	243,830,281	228,162,504
Other assets		
Investments, long-term, held by Greater Horizons	756,565	756,565
Split-interest agreements	355,307	444,431
Life insurance annuity receivable, net of current portion	1,022,916	-
Furniture and equipment, net of accumulated depreciation of \$59,063 and \$56,203	3,445	5,423
Other assets	5,651	2,651
	2,143,884	1,209,070
	\$ 245,974,165	\$ 229,371,574

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 39,079	\$ 67,950
Grants payable, current portion	919,237	1,391,370
Accrued expenses	91,226	89,381
Agency obligations	967,047	1,018,444
Deferred tax liability	19,890,206	9,637,188
	21,906,795	12,204,333
Long-term liabilities		
Grants payable, net of current portion and discount	559,855	1,116,086
Split-interest liability	44,369	61,341
	604,224	1,177,427
Total liabilities	22,511,019	13,381,760
Net assets		
Without donor restrictions	204,421,092	195,120,514
With donor restrictions	19,042,054	20,869,300
	223,463,146	215,989,814
	\$ 245,974,165	\$ 229,371,574

See notes to financial statements

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions	\$ 5,691,821	\$ 4,421,131	\$ 10,112,952
Administrative fee revenue	53,000	-	53,000
Investment return, net	24,510,016	-	24,510,016
Other income	14,291	-	14,291
Net assets released from restrictions	4,085,198	(4,085,198)	-
Total revenues, gains, and other support	34,354,326	335,933	34,690,259
Expenses and losses:			
Program services	11,935,111	-	11,935,111
Supporting services:			
Development	435,548	-	435,548
Management and general	825,246	-	825,246
Investment return, net	-	2,115,233	2,115,233
Change in value of split-interest agreements	-	47,946	47,946
Income tax expense	11,857,843	-	11,857,843
Total expenses and losses	25,053,748	2,163,179	27,216,927
CHANGE IN NET ASSETS	9,300,578	(1,827,246)	7,473,332
NET ASSETS, BEGINNING OF YEAR	195,120,514	20,869,300	215,989,814
NET ASSETS, END OF YEAR	\$ 204,421,092	\$ 19,042,054	\$ 223,463,146

See notes to financial statements

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions	\$ 10,962,307	\$ 354,535	\$ 11,316,842
Administrative fee revenue	106,162	-	106,162
Investment return, net	45,137,830	4,057,107	49,194,937
Other income	100,171	-	100,171
Change in value of split-interest agreements	-	49,478	49,478
Gain on disposal of assets	232	-	232
Net assets released from restrictions	3,792,733	(3,792,733)	-
 Total revenues, gains, and other support	 60,099,435	 668,387	 60,767,822
 Expenses and losses:			
Program services	12,676,302	-	12,676,302
Supporting services:			
Development	429,151	-	429,151
Management and general	719,211	-	719,211
Income tax expense	2,969,336	-	2,969,336
 Total expenses and losses	 16,794,000	 -	 16,794,000
 CHANGE IN NET ASSETS	 43,305,435	 668,387	 43,973,822
 NET ASSETS, BEGINNING OF YEAR	 151,815,079	 20,200,913	 172,015,992
 NET ASSETS, END OF YEAR	 \$ 195,120,514	 \$ 20,869,300	 \$ 215,989,814

See notes to financial statements

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services		Total
		Development	Management and General	
Grants awarded	\$ 6,843,475	\$ -	\$ -	\$ 6,843,475
Salaries	191,278	155,662	266,593	613,533
Payroll taxes	14,819	12,061	16,757	43,637
Employee benefits	38,451	31,295	43,477	113,223
Total salaries and related expenses	244,548	199,018	326,827	770,393
Consulting services	42,356	69,309	273,387	385,052
Income tax expense	-	-	11,857,843	11,857,843
Direct program donations	4,690,323	-	-	4,690,323
Office	7,448	10,889	7,448	25,785
Media and public relations	-	78,459	-	78,459
Rent	7,758	7,758	7,756	23,272
Accounting and audit fees	-	-	112,704	112,704
Legal	19,446	-	36,113	55,559
Lobbying	-	-	27,500	27,500
Information technology	13,864	11,284	15,676	40,824
Depreciation and amortization	1,102	369	1,389	2,860
Insurance	5,234	4,260	5,919	15,413
Equipment rental and maintenance	-	-	600	600
Telephone	1,695	648	2,117	4,460
Special events and luncheons	51,419	51,419	-	102,838
Vehicle expense	612	-	612	1,224
Postage	1,866	1,519	2,111	5,496
Conferences and education	-	-	399	399
Other expenses	-	-	750	750
Donor meetings - recognition	-	266	-	266
Memberships	-	350	1,560	1,910
Meetings and travel	3,965	-	-	3,965
Printing	-	-	1,770	1,770
Publications and subscriptions	-	-	608	608
	<u>\$ 11,935,111</u>	<u>\$ 435,548</u>	<u>12,683,089</u>	<u>\$ 25,053,748</u>
Income tax expense			<u>(11,857,843)</u>	
Management and general expenses, net of income tax expense			<u>\$ 825,246</u>	

See notes to financial statements

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services		Total
		Development	Management and General	
Grants awarded	\$ 11,778,244	\$ -	\$ -	\$ 11,778,244
Salaries	169,987	167,151	230,053	567,191
Payroll taxes	10,681	10,503	14,456	35,640
Employee benefits	49,477	48,653	66,964	165,094
Total salaries and related expenses	230,145	226,307	311,473	767,925
Consulting services	42,347	25,837	166,199	234,383
Income tax expense	-	-	2,969,336	2,969,336
Direct program donations	559,595	-	-	559,595
Office	1,956	8,230	4,178	14,364
Media and public relations	-	108,815	-	108,815
Rent	12,671	12,671	12,672	38,014
Accounting and audit fees	-	-	88,278	88,278
Legal	5,474	4,703	34,720	44,897
Lobbying	-	-	44,800	44,800
Information technology	27,525	27,066	37,252	91,843
Interest	-	-	834	834
Depreciation and amortization	3,254	1,244	4,066	8,564
Insurance	2,946	2,898	3,989	9,833
Equipment rental and maintenance	312	118	405	835
Telephone	2,056	786	2,568	5,410
Special events and luncheons	7,575	7,574	-	15,149
Vehicle expense	-	-	682	682
Postage	2,202	2,165	2,980	7,347
Conferences and education	-	-	267	267
Other expenses	-	-	1,493	1,493
Donor meetings - recognition	-	737	-	737
Printing	-	-	2,217	2,217
Publications and subscriptions	-	-	138	138
	<u>\$ 12,676,302</u>	<u>\$ 429,151</u>	<u>3,688,547</u>	<u>\$ 16,794,000</u>
Income tax expense			<u>(2,969,336)</u>	
Management and general expenses, net of income tax expense			<u>\$ 719,211</u>	

See notes to financial statements

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,473,332	\$ 43,973,822
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,860	8,564
Realized/unrealized gains on investments	(12,895,249)	(40,727,231)
Change in the value of split interest agreements	72,152	1,237,753
Contributions of securities	(2,219,984)	(5,182,881)
Discount on grants payable	534	5,998
Gain on disposal of assets	-	(232)
Gain on extinguishment of refundable advance	-	(15,000)
Deferred tax liability	10,253,018	1,590,581
Changes in operating assets and liabilities		
Accounts receivable	(2,500)	(9,500)
Life insurance annuity receivable	(1,092,378)	-
Prepaid income taxes	(51,192)	261,212
Other assets	206,543	(73)
Accounts payable	(28,871)	4,558
Grants payable	(1,028,898)	953,789
Accrued expenses	1,845	15,043
Agency obligations	(51,397)	(5,036,251)
Net cash provided by (used in) operating activities	639,815	(2,919,848)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(34,952,728)	(61,279,475)
Proceeds from sale of investments	34,617,565	58,770,755
Purchases of furniture and equipment	(882)	(3,952)
Net cash used in investing activities	(336,045)	(2,512,672)
NET CHANGE IN CASH AND CASH EQUIVALENTS	303,770	(5,432,520)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,146,007	14,578,527
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,449,777	\$ 9,146,007
Cash and cash equivalents held by Nevada Community Foundation	\$ 6,022,727	\$ 5,765,016
Cash and cash equivalents held by Greater Horizons	3,427,050	3,380,991
	\$ 9,449,777	\$ 9,146,007
Supplemental disclosures of cash flow information:		
Cash payments for taxes on unrelated business income	\$ 1,660,843	\$ 1,120,956

See notes to financial statements

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Nevada Community Foundation, Inc. and Supporting Organizations (collectively, the Foundation) is a not-for-profit corporation established on September 15, 1988. Its function is to receive and accept funds to be administered and disbursed through grants exclusively for charitable purposes primarily in Nevada or for the benefit of residents of Nevada. The Foundation’s mission is to match donors’ philanthropic interests with the myriad needs of the community. The Foundation primarily receives its revenue from donors in the Southern Nevada region. Additionally, fees are charged to administer the various donor funds, which are presented net of related expenses.

Donors may choose among various types of funds, including:

Funds without donor restrictions: The donors do not restrict the use of their gifts which allows the Foundation’s staff to direct where funds are needed most.

Donor advised funds (DAFs)/community supported funds: The donors have ongoing involvement in the use of their gifts.

Field of interest funds: The donor identifies target interest areas and the Foundation awards grants to community organizations and programs that are making a difference in the area selected by the donor.

Scholarship funds: The donors determine the eligibility criteria students must meet, and the Foundation provides the expertise, guidance and personal service for the scholarship’s administration.

Designated funds: Donors can direct gifts to a specific non-profit organization or purpose they are passionate about.

As disclosed in Note 9, donations to certain above funds are included in net assets with donor restrictions.

The primary program expense of the Foundation consists of its direct financial support of other charities and charitable causes. Other substantial activities classified as program expenditures include the convening of charities to examine different community issues, the creation and publication of educational and resource materials, technical and organizational consulting assistance to charities, and public education efforts designed to raise the level of charitable giving for the broad benefit of all non-profits in Nevada.

Principles of Consolidation –The consolidated financial statements of the Foundation include related supporting organizations established to support the Foundation. The Ritter Charitable Trust is a supporting organization established under section 509(a)(3) of the Internal Revenue Code. This supporting organization is operated in connection with the Foundation and is commonly known as a Type 1 supporting organizations. As such, the organizations are consolidated in accordance with generally accepted accounting principles, but they each hold a separate Internal Revenue Service (IRS) exempt determination letter and are required to be reported separately for federal compliance requirements. All intercompany transactions have been eliminated in consolidation.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued) – Frontier Philanthropy, LLC, a Nevada limited liability company was established on June 19, 2017. The Foundation is the sole member of this organization. Frontier Philanthropy, LLC, was established exclusively to further the charitable purposes of the Foundation.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported and disclosed in the financial statements. Actual results could differ from those estimates. Certain expenses are allocated to functional expense categories based on estimates by management. Significant estimates include the fair value of contributed stock, valuation of investments and amounts related to taxable income, including prepaid income taxes, deferred tax liability and income tax expense.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these standards, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets that are subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that require passage of time or the occurrence of a specific event. When conditions of the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the principal balance be kept in perpetuity while permitting the Foundation to use or expend part or all of the income derived from the assets. These restrictions neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

The Foundation has adopted FASB ASC Subtopic 958-205, *Endowments of Non-Profit Organizations: Net Asset Classification of Funds*. The Foundation has interpreted the State of Nevada enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions, until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued) – In accordance with UPMIFA, the Foundation considers the following in making a determination to the appropriate donor-restricted endowment funds:

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

Cash and Cash Equivalents – In May 2009, the Foundation entered into an agreement with Greater Kansas City Community Foundation/Greater Horizons (Greater Horizons) to provide accounting and related services. During the year ended June 30, 2011, the Foundation entered into an agreement with Greater Horizons to provide investment accounting services.

The Foundation maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Additionally, the Foundation maintains cash balances in money market accounts at investment institutions and cash balances held by Greater Horizons. These amounts may exceed FDIC insured limits. The Foundation has not experienced any losses in such accounts.

For purposes of the statement of cash flows, the Foundation considers all highly-liquid investments with an initial maturity of three months or less that are not held for reinvestment to be cash equivalents.

Investments – Pursuant to FASB ASC Subtopic 958-320, *Investments – Debt and Equity Securities for Not-for-Profit Organizations*, the Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities. Foreign investments, investments in corporate, municipal government and government agency securities are stated at current market value by closing market price or closing market bid quotations as referenced in published sources of current market quotations. Foreign investments are translated into United States dollars at year-end rates of exchange. Privately held stock is valued based on discounted cash flow models.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued) – Realized and unrealized gains and losses on investments are recorded in the accompanying consolidated statement of activities. The amounts the Foundation will ultimately realize could differ materially from the recorded amounts, and significant fluctuations in fair values could occur from year to year. Purchases and sales of investments are recorded on a trade-date basis. The Foundation uses the specific identification method for investment sales. Changes in the value of foreign investments resulting from changes in the exchange rate are reported as part of the unrealized gains on the related investments.

Market volatility of equity-based investments is expected to substantially impact the value of such investments at any given time. Management evaluates the investment portfolio on an ongoing basis. The Foundation maintains master investment accounts for its donor-restricted and Board designated funds. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts. Investments in real estate consist of property recorded at cost or the fair market value at the date of the donation.

Furniture and Equipment – The Foundation capitalizes all expenditures for property and equipment in excess of \$500 with a useful life of over one year. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is computed using primarily the straight-line method from three to ten years.

Revenue Recognition – All contributions are recognized as support in the consolidated statement of activities in the period received, including bequests and unconditional promises to give, at their estimated net realizable value. Bequests are recognized at the time the Foundation's right to them is established by a court and to the extent the value of the proceeds is subject to reasonable estimation. The Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets whether or not the restrictions are met in the same reporting period. Investment income earned on the support is also presented as support with donor restrictions.

Basis of Accounting – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Administrative Fee Revenue – The Foundation charges an administrative fee for managing the funds of the Foundation. Some funds are charged a monthly fee based on the market value of the fund. Some funds are charged a negotiated quarterly fee. Some funds are charged a negotiated annual fee. The revenue from these fees is credited to the Foundation's operating fund when earned.

Donated Services – Donated services are recognized as contributions in accordance with FASB ASC if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets – Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Functional Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Expenses that can be directly allocated to the programs or supporting functions include grants awarded, consulting services, income tax expense, information technology, direct program donations, office, media and public relations, accounting and audit fees, equipment rental and maintenance, legal, lobbying, special events and luncheons, vehicle expense, conferences and education, other expenses, donor meetings – recognition, meetings and travel, memberships, rent, telephone, printing, and publications and subscriptions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such allocations are determined by management on an equitable basis. The expenses allocated based on time and effort include salaries, payroll taxes, employee benefits, depreciation and amortization, postage, and insurance.

Income Tax Status – The Foundation and the related supporting organizations are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A). The related supporting organizations are exempt from federal income tax under Section 509(a)(3) of the Internal Revenue Code. Income which is not related to the Foundation’s exempt purposes, less applicable deductions, is subject to state and federal income taxes.

The Foundation follows accounting standards for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods.

Management evaluated the Foundation’s tax position and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Generally, the Foundation is no longer subject to income tax examinations by the U.S. federal, state and local tax authority for years before 2018.

Management’s Review – Subsequent events have been evaluated through November 8, 2022, which is the date the consolidated financial statements were available to be issued.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 2. INVESTMENTS

In accordance with the FASB ASC the following are quantitative disclosures about the fair value measurements of assets. Fair value measurements are categorized on three levels:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities, which are traded by dealers and brokers in active markets. Valuations obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain unobservable assumptions and projections in determining the fair value assigned to such assets and liabilities.

Investments in marketable securities and investments under management are based on quoted market prices and are categorized as Level 1 of the fair value hierarchy.

Investments in government and agency securities are based on market prices as well as activity for identical or similar assets or liabilities when there is no active market. Government and agency securities which are valued based on quoted market prices are categorized as Level 1 of the fair value hierarchy. Government and agency securities which are valued based on activity for identical or similar assets or liabilities are categorized as Level 2 on the fair value hierarchy.

Limited partnerships are investments in limited partnerships that invest primarily in other limited partnerships for the purpose of making investments in international private equity investments, equity securities, warrants or other options that are generally not actively traded at the time of the investment. Generally, the partnership may not transfer or withdraw its investment in limited partnerships prior to their termination. Since the investments are valued using unobservable inputs and do not permit redemption at the measurement date, such investments are classified as Level 3 of the fair value hierarchy.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 2. INVESTMENTS (CONTINUED)

For the fiscal years ended June 30, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. Investments measured at fair value on a recurring basis at June 30, 2022 and 2021 are summarized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2022</u>
Corporate bonds	\$ 484,556	\$ -	\$ -	\$ 484,556
Marketable securities	31,985,019	-	-	31,985,019
Domestic equity mutual funds	79,218,892	-	-	79,218,892
Alternative investment mutual funds	6,434,390	-	-	6,434,390
Domestic fixed income	30,667,023	-	-	30,667,023
Foreign fixed income funds	141,676	-	-	141,676
Government and agency securities	773,475	-	-	773,475
Cash surrender value of life insurance policies	-	385,692	-	385,692
Limited partnerships	-	-	129,356	129,356
Stock, privately held	-	-	82,703,559	82,703,559
Split-interest agreements	-	-	355,307	355,307
Cash held for reinvestment	<u>2,048,564</u>	<u>-</u>	<u>-</u>	<u>2,048,564</u>
	<u>\$ 151,753,595</u>	<u>\$ 385,692</u>	<u>\$ 83,188,222</u>	<u>\$ 235,327,509</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2021</u>
Corporate bonds	\$ 1,467,596	\$ -	\$ -	\$ 1,467,596
Marketable securities	28,886,912	-	-	28,886,912
Domestic equity mutual funds	59,385,633	-	-	59,385,633
Alternative investment mutual funds	42,880,585	-	-	42,880,585
Domestic fixed income	39,078,028	-	-	39,078,028
Government and agency securities	1,809,953	-	-	1,809,953
Cash surrender value of life insurance policies	-	640,184	-	640,184
Limited partnerships	-	-	96,059	96,059
Stock, privately held	-	-	43,861,116	43,861,116
Split-interest agreements	-	-	444,431	444,431
Cash held for reinvestment	<u>1,415,740</u>	<u>-</u>	<u>-</u>	<u>1,415,740</u>
	<u>\$ 174,924,447</u>	<u>\$ 640,184</u>	<u>\$ 44,401,606</u>	<u>\$ 219,966,237</u>

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 3. LIFE INSURANCE ANNUITY RECEIVABLE

The Foundation is the beneficiary of a life insurance policy for which the guaranteed minimum income benefit (GMIB) option was exercised in April 2022. Under the GMIB option, the Foundation receives monthly payments of \$5,789 with ten years of guaranteed payments. The receivable is recorded at present value and is based on the expected return multiple on the IRS Ordinary Life Annuities Return Table.

NOTE 4. ASSETS HELD AND LIABILITIES UNDER SPLIT-INTEREST AGREEMENTS

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 donor 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.

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.

The fair value of the assets and liabilities are categorized as Level 3 assets.

The Foundation's split-interest agreement assets and liabilities are valued at fair value on a recurring basis as of June 30, 2022 as follows:

	<u>Level 3 Assets</u>	<u>Level 3 Liabilities</u>
Assets held by third party:		
January 2005 agreement	\$ 83,735	\$ -
February 2012 agreement	180,769	-
	264,504	-

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 4. ASSETS HELD AND LIABILITIES UNDER SPLIT-INTEREST AGREEMENTS (CONTINUED)

Assets and liabilities held by the Foundation:

December 1991 agreement	90,803	44,369
	\$ 355,307	\$ 44,369

The Foundation's split-interest agreement assets and liabilities are valued at fair value on a recurring basis as of June 30, 2021 as follows:

	Level 3 Assets	Level 3 Liabilities
Assets held by third party:		
January 2005 agreement	\$ 102,711	\$ -
February 2012 agreement	221,430	-
	324,141	-
Assets and liabilities held by the Foundation:		
December 1991 agreement	120,290	61,341
	\$ 444,431	\$ 61,341

NOTE 5. AGENCY OBLIGATIONS

Agency obligations are funds held in trust by the Foundation and can only be used for the following organizations. The donors control the use and distribution of these funds. The agencies' assets held in trust and corresponding obligations consist of the following at June 30:

	2022	2021
Gillis Foundation Fund	\$ 134,485	\$ 150,085
Keyser Education Endowment Fund	-	357
Nevada Blind Children Foundation Fund	70,009	79,773
Communities in Schools Fund	34,338	34,844
Red Mountain Music Fund	37,756	43,096
Nevada COVID-19 Task Force, Inc. Fund	688,744	708,326
Helping Hands Surgical Care Fund	1,715	1,963
	\$ 967,047	\$ 1,018,444

NOTE 6. COMMITMENTS AND CONTINGENCIES

Operating Leases – The Foundation has operating leases for office facilities expiring through December 2023. The total monthly lease amount is \$1,726. Rental expense for the office facilities for the years ending June 30, 2022 and 2021 totaled \$23,272 and \$38,014 respectively.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 6. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future minimum lease payments at June 30, 2022 are as follows:

2023	\$	19,845
2024		<u>8,622</u>
		<u>\$ 28,467</u>

Concentrations – Of the total grants paid out during the year ended June 30, 2022 to various organizations, the Foundation donated significant amounts over the course of the year to two organizations totaling \$3,187,950, representing 47% of grants awarded and 13% of total expenses. Of the total grants paid out during the year ended June 30, 2021 to various organizations, the Foundation donated significant amounts over the course of the year to two organizations totaling \$3,393,905, representing 28% of grants awarded and 20% of total expenses.

During the year ended June 30, 2022, one donor contributed a total of \$3,252,377 representing 32% of total contributions. During the year ended June 30, 2021, one donor contributed a total of \$4,254,857 representing 38% of total contributions.

NOTE 7. EMPLOYEE BENEFIT PLAN

Effective January 1, 2018, the Foundation entered into an agreement with Automatic Data Processing to establish a 401(k) plan. The Foundation makes matching contributions to the plan each year of 3% of all employees' compensation. The total contributions and expenses associated with the plan for the years ending June 30, 2022 and 2021 were \$15,802 and \$15,749, respectively.

The Executive Committee approved a Section 457 deferred compensation plan on July 28, 2014, effective July 1, 2014. There is only one participant in the deferred compensation plan. The Foundation will determine its contribution, if any, for the plan year and the participant may contribute salary reduction in excess of such Board contribution up to the maximum allowed by law. There were contributions of \$19,500 and \$19,500 to the plan for the years ended June 30, 2022 and 2021, respectively.

NOTE 8. GRANTS PAYABLE

The main function of the Foundation is to receive and accept funds to be administered and disbursed through grants exclusively for charitable purposes primarily in Nevada or for the benefit of residents of Nevada. Grants payable to be paid after one year are discounted based on the year promised at rates ranging from 0.11% to 2.68%.

Grants payable are summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Due in one year	\$ 919,237	\$ 1,391,370
Due in one to five years	<u>562,000</u>	<u>1,118,765</u>
	1,481,237	2,510,135

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 8. GRANTS PAYABLE (CONTINUED)

Current	919,237	1,391,370
Long-term	562,000	1,118,765
Less: discounts to present value	(2,145)	(2,679)
Long-term, net of current portion and discount	\$ 559,855	\$ 1,116,086

The Foundation pledges scholarship funds to individuals throughout the year. The scholarships are conditional based on the individual attending school for the pledged semester. As these pledges are conditional, these pledges are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENTS

At June 30, 2022 and 2021, the Board of Directors (the Board) has designated \$973,646 and \$1,213,695 respectively, for the benefit of former boxers for financial and medical hardship, including funds for housing, basic living expenses, and payment of medical costs not covered by insurance.

Net assets with donor restrictions are available as follows as of June 30:

	2022	2021
Specified charities	\$ 3,465,094	\$ 3,825,759
Educational issues	4,111,556	4,770,142
Animal issues	3,311,987	3,842,460
Scholarships	2,416,471	2,880,645
Emergency relief	1,729,850	1,872,060
Time restricted funds	406,458	481,286
Children and youth issues	1,940,038	1,268,275
Community support	1,550,751	1,800,866
Senior citizen issues	108,594	126,552
Homelessness	1,255	1,255
	\$ 19,042,054	\$ 20,869,300

Net assets with donor restrictions consisting of the following as of June 30:

	2022	2021
Cash and cash equivalents	\$ 1,512,333	\$ 1,555,062
Investments	17,218,783	18,931,148
Net assets related to split-interest agreements	310,938	383,090
	\$ 19,042,054	\$ 20,869,300

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENTS (CONTINUED)

The Foundation's net assets with donor restrictions include donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment funds, including funds designated by the Board of Directors to function as endowments (collectively referred to as the endowment fund), are classified and reported based on the existence or absence of donor-imposed restrictions. Included in the medical research and children and youth issues balances are nonexpendable endowment funds. As of June 30, 2022 and 2021, the balance of funds to be held in perpetuity was \$756,565 and \$756,565, respectively.

The endowment includes only donor-restricted endowment funds and earnings. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Board of Directors of the Foundation has interpreted Nevada state laws as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in accordance with the donor's wishes. There are no Board designations of endowment funds.

During the year ended June 30, 2022 the Foundation's endowment funds had the following activity:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2021	\$ -	\$ 944,134	\$ 944,134
Investment return, net	-	(117,710)	(117,710)
Amount appropriated for expenditure	<u>-</u>	<u>(11,377)</u>	<u>(11,377)</u>
Change in net assets	<u>-</u>	<u>(129,087)</u>	<u>(129,087)</u>
Balance, June 30, 2022	<u>\$ -</u>	<u>\$ 815,047</u>	<u>\$ 815,047</u>

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENTS (CONTINUED)

During the year ended June 30, 2021 the Foundation's endowment funds had the following activity:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2020	\$ -	\$ 772,304	\$ 772,304
Investment return, net	-	188,371	188,371
Amount appropriated for expenditure	-	(16,541)	(16,541)
Change in net assets	-	171,830	171,830
Balance, June 30, 2021	<u>\$ -</u>	<u>\$ 944,134</u>	<u>\$ 944,134</u>

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. Any deficiencies of this nature would reduce the related net assets with donor restrictions. There were no deficiencies at June 30, 2022 or 2021.

Return Objectives and Risk Parameters – The Foundation has adopted investment and spending policies for endowment assets, the primary emphasis of which is on capital growth. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results attainable over a more than ten-year time frame. The Foundation expects its endowment funds, over time, to provide an average rate of return commensurate with other moderate risk investment portfolios.

Strategies Employed for Achieving 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 both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation has a current policy of retaining the earnings within the endowment fund until such time that the Board has determined specific expenditures in which to use the earnings not restricted by the donor, with an expected annual distribution rate of 2.5%. This policy is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENTS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for June 30:

Satisfaction of purpose restrictions:

	2022	2021
Specified charities	\$ 772,509	\$ 1,823,086
Educational issues	820,332	139,843
Animal issues	657,227	107,180
Scholarships	583,512	83,601
Emergency relief	518,215	89,485
Children and youth issues	344,319	16,315
Community support	298,033	201,194
Senior citizen issues	22,440	4,013
	4,016,587	2,464,717

Satisfaction of time restrictions:

Time restricted funds	68,611	1,328,016
	\$ 4,085,198	\$ 3,792,733

NOTE 10. INCOME TAXES

In December 2013, the Foundation received a contribution of privately held stock. During the years ended June 30, 2022 and 2021, the Foundation had taxable activity proportionate to its ownership percentage related to the privately held stock, which is considered unrelated business income. As such, the Foundation recorded income tax expense of \$11,857,843, and \$2,969,336 during the years ended June 30, 2022 and 2021, respectively. A significant portion of the income tax expense recognized by the Foundation is related to the change in its deferred tax liability.

The Foundation recognizes a deferred income tax liability related to the privately held stock with an estimated fair market value of \$82,703,559 and \$43,861,116 and an estimated tax basis of \$0 and \$0 as of June 30, 2022 and 2021, respectively. An estimated blended federal and state tax rate of 24.05% was used to determine the estimate deferred tax liability of \$19,890,206 and \$10,548,597 for the years ended June 30, 2022 and 2021, respectively. During the year ended June 30, 2021, the Foundation recognized a significant loss on its flow-through income from the privately held stock that generated a future net operating loss carryforward on its federal income tax returns. This carryforward generated a federal deferred tax asset of \$911,409 which was netted with the deferred tax liability and was utilized in full during the year ended June 30, 2022.

Under the terms of the agreement with the donor, the company in which the Foundation owns the privately held stock will distribute to the Foundation an amount equal to the amount of tax due and payable by the Foundation under section 511(a)(1) of the Internal Revenue Code by reason of the Foundation's ownership in the shares. As a conditional promise to give, the contributions will be recorded when the conditions are met.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 11. LIQUIDITY AND AVAILABILITY OF FUNDS

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. 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, are as follows as of June 30:

	2022	2021
Cash and cash equivalents	\$ 6,022,727	\$ 5,765,016
Cash and cash equivalents held by Greater Horizons	3,427,050	3,380,991
Investments	83,847,842	45,225,764
Investments held by Greater Horizons	150,367,795	173,539,477
Accounts receivable	12,000	9,500
Life insurance annuity receivable	69,462	173,539,477
	243,746,876	227,920,748
Less:		
Cash, restricted	(1,512,333)	(1,555,062)
Investments, restricted	(17,218,783)	(18,931,148)
Agency obligations	(967,047)	(1,018,444)
	\$ 224,048,713	\$ 206,416,094

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 12. PAYCHECK PROTECTION LOAN

On May 4, 2020 the Foundation (the Borrower) qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the PPP Lender), for an aggregate principal amount of approximately \$84,554 (the PPP Loan). The PPP Loan bore an interest at a fixed rate of 1.0% per annum, had a term of two/five years, and was unsecured and guaranteed by the U.S. Small Business Administration. The principal and accrued interest of the PPP Loan was subject to forgiveness under the Paycheck Protection Program upon the Foundation's request to the extent that the PPP Loan proceeds were used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Foundation. The Foundation applied for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Foundation will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing the earlier of (1) the date that SBA remits the Borrower's loan forgiveness amount to the Lender or (2) 10 months after the end of the Borrower's loan forgiveness covered period of 24-weeks, principal and interest payments will be required through the maturity date in April 2022. The terms of the PPP Loan provided for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events.

NEVADA COMMUNITY FOUNDATION, INC. AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 and 2021

NOTE 12. PAYCHECK PROTECTION LOAN (CONTINUED)

The Foundation accounted for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605 and recognized the estimated forgiven portion of the loan as the conditions were met. As of June 30, 2020, the remaining balance of the PPP loan was \$15,000 with \$65,554 being recognized as contribution revenue during the year. During the year ended June 30, 2021, the remaining \$15,000 was recognized as contribution revenue. The PPP loan was considered fully forgiven as of April 28, 2021.