

TAHOE FUND

Tahoe City, California

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

March 31, 2025 and 2024

TAHOE FUND
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tahoe Fund

Opinion

We have audited the accompanying financial statements of Tahoe Fund (a nonprofit organization), which comprise the statement of financial position as of March 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tahoe Fund as of March 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Tahoe Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tahoe Fund's ability to continue as a going concern within one year after the date that the 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 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 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 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 financial statements.
- Obtain an understanding of internal controls 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 Tahoe Fund's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tahoe Fund's 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.

Report on Summarized Comparative Information

We have previously audited Tahoe Fund's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McClintock Accountancy Corporation

MCCLINTOCK ACCOUNTANCY CORPORATION

Tahoe City, California

October 10, 2025

TAHOE FUND

Exhibit A

STATEMENTS OF FINANCIAL POSITION
March 31, 2025 (with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash and cash equivalents	\$ 5,324,354	\$ 1,781,798	\$ 7,106,152	\$ 1,074,069
Beneficial interests in assets held at local community foundations (Note 4)	20,317	-0-	20,317	8,958,594
Investments (Note 5)	2,684,051	3,130,706	5,814,758	900,000
Contributions and pledges receivable, net (Note 7)	223,413	1,620,679	1,844,092	1,390,156
Accrued interest receivable	18,615	-0-	18,615	16,702
Programmatic investments (Note 6)	50,000	-0-	50,000	50,000
Prepaid expenses	46,719	-0-	46,719	22,458
Total Assets	\$ 8,367,469	\$ 6,533,183	\$ 14,900,652	\$ 12,411,979
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 106,364	\$ -0-	\$ 106,364	\$ 70,821
Payroll liabilities	32,669	-0-	32,669	25,022
Funds held for others	905	-0-	905	-0-
Total Liabilities	\$ 139,938	-0-	\$ 139,938	\$ 95,843
NET ASSETS				
Without Donor Restrictions	2,049,778	-0-	2,049,778	1,242,340
Without Donor Restrictions - Board designated (Note 10)	6,177,753	-0-	6,177,753	5,947,210
With Donor Restrictions (Note 11)	-0-	6,533,183	6,533,183	5,126,586
Total Net Assets	\$ 8,227,531	6,533,183	\$ 14,760,714	\$ 12,316,136
Total Liabilities and Net Assets	\$ 8,367,469	\$ 6,533,183	\$ 14,900,652	\$ 12,411,979

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Exhibit B

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2025 (with comparative totals for 2024)

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 1,534,243	\$ 3,182,373	\$ 4,716,616	\$ 3,688,716
Governmental grants	-0-	98,527	98,527	166,860
Contract income	6,000	-0-	6,000	-0-
Donated goods, services and facilities (Note 14)	34,404	-0-	34,404	28,778
Gross special events revenue	129,600	-0-	129,600	138,276
Less: Cost of events	(163,799)	-0-	(163,799)	(170,005)
Net special events revenue	(34,199)	-0-	(34,199)	(31,729)
Change in value of beneficial interest in assets held at local community foundations	590,827	23,663	614,490	1,094,912
Dividend and interest income	153,054	944	153,998	33,975
Realized and unrealized gain/(loss)	(41,459)	923	(40,536)	-0-
Net assets released from restrictions:				
Satisfaction of time restrictions	880,628	(880,628)	-0-	-0-
Satisfaction of purpose restrictions	1,019,205	(1,019,205)	-0-	-0-
Total net assets released	1,899,833	(1,899,833)	-0-	-0-
Total Revenue (Note 13)	4,142,703	1,406,597	5,549,300	4,981,511
EXPENSES				
Program services	2,415,348	-0-	2,415,348	1,893,243
Supporting services				
General and administrative	380,892	-0-	380,892	332,808
Fundraising	308,482	-0-	308,482	314,704
Total supporting services	689,374	-0-	689,374	647,512
Total Expenses	3,104,722	-0-	3,104,722	2,540,755
Increase in Net Assets	1,037,981	1,406,597	2,444,578	2,440,756
Net Assets at Beginning of Year	7,189,550	5,126,586	12,316,136	9,875,380
Net Assets at End of Year	<u>\$ 8,227,531</u>	<u>\$ 6,533,183</u>	<u>\$ 14,760,714</u>	<u>\$ 12,316,136</u>

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Exhibit C

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2025 (with comparative totals for 2024)

	2025				2024	
	Program Services		Supporting Services		Total	Total
	Program & Facilities	General and Administrative	Fund Raising			
Expenses						
Salaries, wages and related	\$ 545,470	\$ 119,519	\$ 159,769	\$ 824,758	\$ 790,458	
Contracted services						
Consulting	133,853	39,746	47,622	221,221	118,154	
Project expenses	80,890	-0-	-0-	80,890	32,289	
Marketing	4,402	43,877	29,834	78,113	71,162	
Accounting	-0-	47,315	-0-	47,315	45,016	
Community outreach	9,000	-0-	-0-	9,000	12,000	
Other contract services	33,417	18,072	-0-	51,489	37,458	
Grants	1,384,026	-0-	-0-	1,384,026	1,014,602	
Unfulfilled pledges	-0-	-0-	22,200	22,200	46,421	
Events	65,470	-0-	287	65,757	17,195	
Occupancy	24,209	6,969	5,502	36,680	30,999	
Bank and merchant card fees	-0-	35,930	-0-	35,930	29,712	
Other expenses	2,117	11,802	4,752	18,671	13,299	
Printing, copying, and publications	9,369	3,596	17,060	30,025	35,161	
Travel	4,101	13,918	506	18,525	18,847	
Dues and subscriptions	-0-	10,424	619	11,043	10,328	
Insurance	-0-	8,515	-0-	8,515	10,310	
Supplies, computer and software	26,880	14,301	12,514	53,695	33,096	
Telephone and internet	5,711	2,151	1,879	9,741	5,314	
Postage and shipping	-0-	4,757	5,938	10,695	11,714	
Advertising	86,433	-0-	-0-	86,433	157,220	
	<u>\$ 2,415,348</u>	<u>\$ 380,892</u>	<u>\$ 308,482</u>	<u>\$ 3,104,722</u>	<u>\$ 2,540,755</u>	

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Exhibit D

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Total</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 2,444,578	\$ 2,440,756
Adjustments to reconcile increase in net assets to net cash		
Unfulfilled pledges	29,200	46,421
Contributions restricted to endowment	(24,380)	(23,945)
Change in receivables	(409,025)	(185,507)
Amortization of discount on promises to give	(67,109)	33,595
Unrealized (gain)/loss	40,465	-0-
Change in beneficial interests in assets at local community foundations	(684,578)	(1,071,857)
Change in prepaid expenses and other assets	(26,176)	2,965
Change in payables	35,543	(68,962)
Change in accrued liabilities and funds held for others	8,551	(10,792)
Total Adjustments	<u>(1,104,509)</u>	<u>(1,278,081)</u>
Net Cash Provided by Operating Activities	1,340,069	1,162,675
Cash Flows from Investing Activities:		
Distribution from beneficial interests	9,616,374	-0-
Purchase of investment securities	(5,855,223)	-0-
Purchase of certificates of deposits	-0-	(900,000)
Maturity of certificates of deposit	<u>900,000</u>	<u>-0-</u>
Net Cash Provided (Used) by Investing Activities	<u>4,661,151</u>	<u>(900,000)</u>
Cash Flows from Financing Activities:		
Contributions restricted for:		
Investment in Trails Endowment (Note 8)	16,780	22,350
Investment in Tahoe Fund Endowment (Note 9)	<u>7,600</u>	<u>1,595</u>
	24,380	23,945
Other financing activities:		
Interest and dividends restricted for reinvestment	<u>6,483</u>	<u>6,063</u>
Net Cash Provided from Financing Activities	<u>30,863</u>	<u>30,008</u>
Net Increase in Cash and Cash Equivalents	6,032,083	292,683
Cash and Cash Equivalents, Beginning of the Year	1,074,069	781,386
Cash and Cash Equivalents, End of the Year	<u>\$ 7,106,152</u>	<u>\$ 1,074,069</u>

The accompanying notes are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and 2024

1. Form of Organization

Tahoe Fund was incorporated in April 2010 as a non-profit corporation in the States of Nevada and California. The purpose of Tahoe Fund is to build broad support and funding for environmental projects and programs around the Lake Tahoe Basin with an emphasis on lake clarity, sustainable recreation, forest health, transportation and stewardship. Tahoe Fund is funded primarily by contributions from individuals, businesses, and foundations.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The financial statements of Tahoe Fund have been prepared on the accrual basis of accounting. Additionally, information regarding its financial position and activities are classified according to two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions are resources currently available for various programs and administration of Tahoe Fund, board designated funds, or invested in property and equipment.

Net Assets With Donor Restrictions consist of donor restricted contributions. Amounts restricted by the donor for a particular purpose or time period are reported as revenue with donor restrictions when received and such unexpended amounts are reported as net assets with donor restrictions at year end.

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 statement of activities as “net assets released from restrictions.”

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

Contributions

Contributions are recorded at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as support with donor restrictions. Conditional contributions are recognized when the conditions are substantially met.

Donated Goods, Facilities, and Services

Donations of goods and facilities (which may include securities, equipment, and use of office space) are recorded at fair value at the date of the gift and reported as gifts without donor restrictions unless the donor has stipulated how long the asset must be used or has restricted the item(s) for a specific purpose.

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March 31, 2025 and 2024

Many individuals volunteer their time and perform a variety of tasks that assist Tahoe Fund. Contributions of services are recognized at fair value if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation.

Functional Expenses

Tahoe Fund's expenses are recorded into the functional expense categories of program and facilities, general and administrative, and fund raising based on a combination of direct identification and, when significant, allocation.

To the extent possible, expenses are recorded in the functional category that receives the most benefit. Expenses requiring allocation are allocated based on a reasonable basis that is consistently applied. Wages and benefits are allocated on the basis of estimates for time and effort. Occupancy expenses are allocated based on a combination of square footage and an estimate of time and effort of the employees that occupy the square footage of each office. Insignificant indirect expenses, such as, office supplies and telephone are recorded as general and administrative.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed. Actual results could differ from those estimates.

Liquidity Presentation

In order to provide information about liquidity, assets have been sequenced according to their nearness to conversion to cash and liabilities have been sequenced according to the nearness of their maturity and resulting use of cash.

Allowance for Unfulfilled Pledges

An allowance for unfulfilled pledges is created when a pledge's collectability is uncertain. Tahoe Fund estimates unfulfilled pledges based on factors related to the specific payer's ability to pay and current economic trends. As of March 31, 2025 and 2024, the allowance for unfulfilled pledges was \$-0-.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined as highly liquid investments with original maturities of three months or less at the time of purchase. However, cash and cash equivalents held within endowment funds or designated by the Board for long-term purposes are classified as investments and reported separately as cash invested for long-term purposes.

Investments

Investments are comprised of mutual funds, equity securities, and cash invested for long-term purposes and are carried at fair value for the year ended March 31, 2025.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and 2024

Fair Value Measurements

Fair value is a market-based measurement not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For others, market transactions or information might not be available. However, the objective of a fair value measurement in both cases is the same - to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs, as defined by generally accepted accounting principles (GAAP), is used.

Level 1 Inputs Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 Inputs 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, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs Unobservable inputs for the assets or liabilities (that is, inputs supported by little or no market activity).

The carrying amounts of financial instruments, including cash and accounts payable approximate their fair value due to the short-term maturities of these instruments.

Fixed Assets

Property, furniture, equipment and related costs are capitalized individually at \$5,000 and above and stated at cost.

Depreciation is computed on the straight-line basis over the useful lives of the assets. When items are disposed of, the cost and accumulated depreciation are eliminated from the records of account.

Funds Held for Others

Funds held for others are monies received from organizations participating in the Green Bucks program (a contribution program with area resorts, hotels and restaurants) which are to be paid out to the Truckee River Watershed Council, another recipient of Green Bucks program contributions.

Advertising

Advertising costs are expensed in full when the advertising first appears.

Income Taxes

Tahoe Fund is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and a similar exemption for California purposes. Tahoe Fund is

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NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and 2024

not classified as a private foundation. Unrelated business income, if any, is taxed at regular corporate tax rates.

Management has processes presently in place to ensure maintenance of its tax-exempt status; to identify and report unrelated business income; to determine the filing and tax obligations for which there is nexus; and to identify and evaluate other matters that may be considered tax positions. Tahoe Fund has evaluated their tax positions and related income tax contingencies and do not believe that any material uncertain tax positions exist that require recognition of disclosure in the financial statements.

3. Concentrations of Credit Risk

Tahoe Fund maintains accounts at local banks. The balance in these accounts may, at times, exceed federally insured limits.

Tahoe Fund had a beneficial interest in assets held at local community foundations (Note 4). The majority of these funds are now held with an investment firm and are invested in mutual funds and equities which also fluctuate with market conditions. Tahoe Fund has evaluated the investment guidelines of the investment firm and the community foundation relative to diversification and maturities that target certain safety and liquidity measures and believes that, although the value of these assets is subject to year-to-year fluctuations, the investment policies in place are prudent for long-term growth.

Tahoe Fund minimizes credit risk by periodically evaluating the credit quality of its financial institutions and local community foundations. Additionally, no material losses have been experienced on any such accounts and management believes Tahoe Fund is not exposed to any significant credit risk.

4. Beneficial Interest in Assets Held at Community Foundations

Tahoe Fund previously held a significant portion of its investments with local community foundations under agreements where Tahoe Fund was the named beneficiary. These funds included donor-restricted project funds (Note 11), board designated funds (Note 10), the Trails Endowment (Note 8), the Tahoe Fund Endowment (Note 9), and operating reserves.

Distributions from these accounts could be requested at any time by Tahoe Fund, subject to the community foundations' policies. Under these agreements, variance power was granted to the foundations, allowing them to redirect the use of the funds if the original purpose became obsolete or could no longer be fulfilled. Any such decision required consultation with Tahoe Fund and had to remain as close as possible to the original charitable intent.

During the year ended March 31 2025, Tahoe Fund transferred its assets from Tahoe Community Foundation (formerly Parasol Tahoe Community Foundation) to a new financial institution, gaining direct custodianship and control over the funds. These balances are no longer reported as beneficial interests but are included in Cash and Cash Equivalents

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March 31, 2025 and 2024

and Investments (Note 5), as applicable. After transferring the assets previously held at Tahoe Community Foundation, a small balance remains at Tahoe Truckee Community Foundation.

At March 31, 2025 and 2024, the funds have the following values and are reported in the statement of financial position at fair value as a beneficial interest in assets held by others:

	2025	2024
Tahoe Community Foundation	\$ -0-	\$ 8,939,035
Tahoe Truckee Community Foundation	20,317	19,559
	<u>\$ 20,317</u>	<u>\$ 8,958,594</u>

The beneficial interest is valued at the proportional share of pooled funds as reported to Tahoe Fund and is included within Level 2 of the fair value hierarchy (Note 2).

	Level 1	Level 2	Level 3	Total
2025	\$ -0-	\$ 20,317	\$ -0-	\$ 20,317
2024	\$ -0-	\$ 8,958,594	\$ -0-	\$ 8,958,594

The following table provides a summary of changes in fair value of Tahoe Fund's Level 2 financial assets for the year ended March 31:

	2025	2024
Beginning Balance	\$ 8,958,596	\$ 7,892,801
Additions	63,605	-0-
Distributions	(9,616,374)	(29,119)
Change in value of beneficial interest	614,490	1,094,912
Ending Value of Balance	<u>\$ 20,317</u>	<u>\$ 8,958,594</u>

5. Investments

Investments are carried at estimated fair value and consist of the following at March 31, 2025:

	2025	2024
Cash invested for long-term purposes	\$ 1,166,961	\$ -0-
Certificates of deposit	-0-	900,000
Mutual funds	1,529,249	-0-
Equity securities	3,118,548	-0-
Ending Value of Balance	<u>\$ 5,814,758</u>	<u>\$ 900,000</u>

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NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and 2024

The following table sets forth the estimated fair value of Tahoe Fund's investments measured at fair value on a recurring basis as of March 31:

	2025			
	Level 1	Level 2	Level 3	Total
Investments				
Cash invested for long-term purposes	\$ 1,166,961	\$ -0-	\$ -0-	\$ 1,166,961
Mutual funds	1,529,249			1,529,249
Equity securities	3,118,548	-0-	-0-	3,118,548
	<u>\$ 5,814,758</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,814,758</u>
2024				
	Level 1	Level 2	Level 3	Total
Investments				
Certificates of deposit	\$ 900,000	-0-	-0-	\$ 900,000
	<u>\$ 900,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 900,000</u>

6. Programmatic Investments

The primary purpose of a programmatic investment is to further the tax-exempt objectives of the organization with the production of income or appreciation of the asset not being a significant purpose. Tahoe Fund invests in these types of investments as opportunities present themselves.

During the fiscal year ended March 2023, Tahoe Fund made its first programmatic investment in a company that is automating forest thinning with plans to expand operations in the Tahoe area. This investment aligns programmatically with Tahoe Fund's priority to increase the pace and scale of forest restoration to reduce the threat of catastrophic wildfires. As this company is a startup and the stock (Seed 1 Preferred Stock) is currently restricted with no active market, there is no readily determinable fair value (Level 3 investment). Additionally, at less than .5% ownership, Tahoe Fund has no controlling interest nor the ability to exercise significant influence.

Tahoe Fund has chosen the measurement alternative to value the investment at cost minus impairment, if any (ASC 321-10-35-2). The company is just starting and thus far, there have been no indicators of impairment, such as: change in the management team, adverse conditions in the industry, changes in the technological environment, or change in business prospects. As such, the current value has been measured accordingly at \$50,000, the price initially paid.

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NOTES TO FINANCIAL STATEMENTS March 31, 2025 and 2024

7. Contributions Receivable

Contributions, including promises to give, are recognized at their estimated fair value, on a nonrecurring basis, at the time the contribution or promise is made. Fair value is determined by calculating the net present value of estimated future cash flows. The Wall Street Journal prime rate is the discount rate used in determining the net present value of contributions receivable and was 7.5% and 8.5% at March 31, 2025 and 2024, respectively. The receivables are included within Level 3 of the fair value hierarchy because determination of the net present value of future cash flows is based on little or no market data and requires management to develop their own assumptions.

	Level 1	Level 2	Level 3	Total
2025	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,844,091</u>	<u>\$ 1,844,091</u>
2024	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,390,156</u>	<u>\$ 1,390,156</u>

Contributions receivable consists of the following at March 31:

	2025	2024
Less than 1 year	\$ 307,464	\$ 131,606
1-5 years	1,620,678	1,409,711
Total contributions receivable	1,928,142	1,541,317
Less: unamortized discount	(84,051)	(151,161)
	<u>\$ 1,844,091</u>	<u>\$ 1,390,156</u>

8. Trails Endowment

During 2020, Tahoe Fund received a donation with a donor restriction to setup a trails endowment fund to support trail improvements around the Tahoe region. At times, Tahoe Fund also contributes board designated funds into the endowment. Tahoe Fund's goal is to grow the fund to \$3,000,000 over time. Earnings from this fund are available for use immediately to support the endowment's purpose.

The funds are invested in long term funds that are expected to provide an average annual rate of return sufficient to preserve the capital of the fund while providing an annual stream of funding sufficient to support the endowments' purposes.

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	2025		
	With Donor Restrictions	Board Designated	Total
Beginning of year	\$ 262,549	\$ 797,319	\$ 1,059,868
Contributions	16,780	-0-	16,780
Distributions	(7,595)	(27,061)	(34,656)
Investment income	23,404	73,340	96,744
Unrealized gain	895	1,613	2,508
End of year	<u>\$ 296,033</u>	<u>\$ 845,211</u>	<u>\$ 1,141,244</u>

	2024		
	With Donor Restrictions	Board Designated	Total
Beginning of year	\$ 205,854	\$ 698,050	\$ 903,904
Contributions	22,350	-0-	22,350
Distributions	(2,876)	(26,241)	29,117
Investment income	5,878	19,756	25,634
Unrealized gain	31,343	105,754	137,097
End of year	<u>\$ 262,549</u>	<u>\$ 797,319</u>	<u>\$ 1,059,868</u>

9. Tahoe Fund Endowment

During 2015, Tahoe Fund established an endowment fund from its net assets without donor restrictions, known as a quasi-endowment, to support the operating expenses of Tahoe Fund. The plan currently is to re-invest earnings and future donations with and without donor restrictions to grow the endowment before appropriations are made.

The funds are invested (Note 5) in long term funds that are expected to provide an average annual rate of return sufficient to preserve the capital of the fund while providing an annual stream of funding sufficient to support the endowments' purposes.

	2025		
	With Donor Restrictions	Board Designated	Total
Beginning of year	\$ 9,068	\$ 1,646,842	\$ 1,655,910
Contributions	7,600	-0-	7,600
Investment income	1,203	150,928	152,131
Unrealized gain (loss)	28	(14,260)	(14,231)
End of year	<u>\$ 17,899</u>	<u>\$ 1,783,510</u>	<u>\$ 1,801,410</u>

TAHOE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and 2024

	2024		
	With Donor Restrictions	Board Designated	Total
Beginning of year	\$ 6,308	\$ 1,391,472	\$ 1,397,780
Contributions	1,595	-0-	1,595
Investment income	185	40,509	40,694
Unrealized gain (loss)	980	214,861	215,841
End of year	<u>\$ 9,068</u>	<u>\$ 1,646,842</u>	<u>\$ 1,655,910</u>

10. Board Designated

The board of directors established funds for future projects and priorities consistent with the strategic plan.

Board designations consist of the following at March 31:

	2025	2024
Particular purpose or project	\$ 2,089,369	\$ 2,125,179
Operating reserves	1,459,663	1,377,870
Tahoe Fund Endowment (Note 9)	1,783,510	1,646,842
Trails Endowment (Note 8)	845,211	797,319
	<u>\$ 6,177,753</u>	<u>\$ 5,947,210</u>

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	2025	2024
Bikeways	\$ 3,035,052	\$ 2,778,070
Conservation	534,156	35,073
Environmental Venture Trust	88,864	85,264
Forest Health	216,930	89,422
Recreation & Other	576,648	506,810
Trails Endowment (Note 8)	296,033	262,549
Tahoe Fund Endowment (Note 9)	17,899	9,068
Stewardship	214,174	190,335
Time restricted pledges	1,553,427	1,169,995
	<u>\$ 6,533,183</u>	<u>\$ 5,126,586</u>

Earnings generated by funds with donor restrictions is available for appropriation by the Board of Directors with the exception of earnings generated by the Trails and Tahoe Fund Endowment funds with donor restrictions.

TAHOE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2025 and 2024

12. Liquidity and Availability of Resources

Tahoe Fund's goal is to cover general expenditures through donations received without donor restrictions. This is done through various fundraising campaigns, such as the Green Bucks program, Stewardship circle (a 3-year annual commitment), and general donations from individuals and foundations. Although waived in recent years, 10% of donations received with donor restrictions are also available for general expenditures.

Tahoe Fund also has a policy to maintain an operating reserve adequate to cover 12 months of general expenditures, approximately \$1,400,000, and operates with a balanced budget. As part of its liquidity plan, excess cash is invested in a combination of intermediate and short-term investments.

General expenditures include all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes project expenses.

Project expenses have largely been covered by donations received with donor restrictions. However, board designated and other donations received without donor restrictions are also used. At the discretion of the board of directors, amounts that are board designated can be reallocated and used to meet general expenditures as needed.

At March 31, the following financial assets were available to meet general expenditures over the next twelve months:

Financial Assets at Year End	2025	2024
Cash and cash equivalents	\$7,106,153	\$1,974,069
Beneficial Interests	20,317	8,958,594
Investments	5,814,758	-0-
Contributions Receivable, net	1,844,091	1,390,156
Accrued Interest Receivable	18,615	16,702
Total financial assets	14,803,934	12,339,521
 Adjustments:		
Less: Net assets with donor restrictions (Note 11)	(6,533,183)	(5,126,586)
Plus: Time restrictions to be met during fiscal year	1,017,478	847,212
Less: Board Designated (Note 10)	(6,177,753)	(5,947,210)
Plus: Board Designated for Operating Reserves	1,459,663	1,377,780
	(10,233,795)	(8,848,804)
Financial Assets Available	\$4,570,139	\$3,490,717

TAHOE FUND

NOTES TO FINANCIAL STATEMENTS March 31, 2025 and 2024

13. Sources of Revenue

For the years ended March 31, 2025 and 2024, all sources of revenue were individually 9% or less of current revenue and not considered by management to be individually significant to overall operations.

14. Donated Goods, Services and Facilities

The following amounts are recognized in the financial statements for the year ending March 31:

	2025	2024	
Use of facilities/meeting rooms	\$ 9,922	\$ 7,648	Administrative
Use of facilities/meeting rooms	7,441	5,737	Fundraising
Use of facilities/meeting rooms	7,441	5,737	Program
Database subscriptions	9,600	9,656	Fundraising
Total	\$ 34,404	\$ 28,778	

Tahoe Fund has an annual grant from the Tahoe Community Foundation for office and meeting space. The Tahoe Community Foundation contributes 70% of the market value for furnished office space and Tahoe Fund pays the remaining 30%. Additionally, the Tahoe Community Foundation provides meeting space and storage. The value of facilities donated by the Tahoe Community Foundation for the year ended March 31, 2025 was \$16,069 for office space, \$7,925 for meeting space, and \$810 for storage space for a total of \$24,804. March 31, 2024 was \$16,069 for office space, \$2,243 for meeting space, and \$810 for storage space for a total of \$19,122. These amounts were allocated by functional expense as noted above.

15. Subsequent Events

Subsequent events have been evaluated by management through October 10, 2025 the date that the statements were available for issuance, and no events material to the financial statements were identified.