

# TAHOE FUND

Tahoe City, California

## FINANCIAL STATEMENTS

AND

## INDEPENDENT AUDITORS' REPORT

March 31, 2020 (audited) and 2019 (reviewed)

TAHOE FUND  
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# McCLINTOCK ACCOUNTANCY CORPORATION

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Tahoe Fund

We have audited the accompanying financial statements of Tahoe Fund (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020, 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.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tahoe Fund as of March 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Summarized Comparative Information**

We previously reviewed Tahoe Fund's 2019 financial statements and in our conclusion dated September 4, 2019, stated that based on our review, we were not aware of any material modifications that should be made to the 2019 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended March 31, 2019, for it to be consistent with the reviewed financial statements from which it has been derived.

*McClintock Accountancy Corporation*

MCCLINTOCK ACCOUNTANCY CORPORATION  
Tahoe City, California  
October 9, 2020

## TAHOE FUND

Exhibit A

**STATEMENTS OF FINANCIAL POSITION**  
 March 31, 2020 (audited) (with comparative totals for 2019 (reviewed))

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 280,423	\$ 432,063	\$ 712,486	\$ 824,344
Beneficial interests in assets held at local community foundations (Note 4)	2,100,300	1,303,061	3,403,361	2,402,492
Contributions and pledges receivable, net (Note 5)	158,501	442,427	600,928	548,226
Prepaid expenses	7,450	-0-	7,450	4,182
Fixed assets, net (Note 6)	426	-0-	426	946
Total Assets	<u>\$ 2,547,100</u>	<u>\$ 2,177,551</u>	<u>\$ 4,724,651</u>	<u>\$ 3,780,190</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 9,173	\$ -0-	\$ 9,173	\$ 17,024
Accrued liabilities	14,902	-0-	14,902	9,780
Funds held for others	11,468	-0-	11,468	11,037
Total Liabilities	<u>35,543</u>	<u>-0-</u>	<u>35,543</u>	<u>37,841</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	404,347	-0-	404,347	381,034
Without Donor Restrictions - Board designated (Note 7)	2,107,210	-0-	2,107,210	1,925,477
With Donor Restrictions (Note 8)	-0-	2,177,551	2,177,551	1,435,838
Total Net Assets	<u>2,511,557</u>	<u>2,177,551</u>	<u>4,689,108</u>	<u>3,742,349</u>
Total Liabilities and Net Assets	<u>\$ 2,547,100</u>	<u>\$ 2,177,551</u>	<u>\$ 4,724,651</u>	<u>\$ 3,780,190</u>

The accompanying notes are an integral part of these statements.

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## TAHOE FUND

Exhibit B

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Year Ended March 31, 2020 (audited) (with comparative totals for 2019 (reviewed))

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE</b>				
Contributions	\$ 718,918	\$ 1,562,458	\$ 2,281,376	\$ 1,140,117
Governmental grants	-0-	21,207	21,207	82,797
Contract income	1,942	-0-	1,942	18,359
Donated goods, services and facilities (Note 11)	30,054	-0-	30,054	26,792
Gross special events revenue	123,300	-0-	123,300	123,520
Less: Cost of events	(112,868)	-0-	(112,868)	(66,016)
Net special events revenue	10,432	-0-	10,432	57,504
Change in value of beneficial interests in assets held at local community foundations	(201,237)	-0-	(201,237)	89,084
Other income	1,749	-0-	1,749	325
Net assets released from restrictions:				
Satisfaction of time restrictions	439,645	(439,645)	-0-	-0-
Satisfaction of purpose restrictions	402,307	(402,307)	-0-	-0-
Total net assets released	841,952	(841,952)	-0-	-0-
Total Revenue (Note 10)	1,403,810	741,713	2,145,523	1,414,978
<b>EXPENSES</b>				
Program services	773,731	-0-	773,731	784,212
Supporting services				
General and administrative	282,566	-0-	282,566	159,035
Fundraising	142,467	-0-	142,467	152,087
Total supporting services	425,033	-0-	425,033	311,122
Total Expenses	1,198,764	-0-	1,198,764	1,095,334
Increase in Net Assets	205,046	741,713	946,759	319,644
Net Assets at Beginning of Year	2,306,511	1,435,838	3,742,349	3,422,705
Net Assets at End of Year	\$ 2,511,557	\$ 2,177,551	\$ 4,689,108	\$ 3,742,349

The accompanying notes are an integral part of these statements.

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## TAHOE FUND

Exhibit C

## STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2020 (audited) (with comparative totals for 2019 (reviewed))

Expenses	2020				2019
	Program Services	Supporting Services		Total	Total
	Program & Facilities	General and Administrative	Fund Raising		
Salaries, wages and related	\$ 224,487	\$ 51,301	\$ 75,839	\$ 351,627	\$ 256,744
Contracted services					
Consulting	1,155	37,129	-0-	38,284	22,891
Project expenses	2,680	-0-	-0-	2,680	42,064
Marketing and promotion	3,416	44,747	13,250	61,413	51,648
Accounting and legal	-0-	36,164	-0-	36,164	30,435
Community outreach	-0-	-0-	-0-	-0-	43,500
Other contract services	-0-	17,307	5,015	22,322	10,659
Grants	420,056	-0-	-0-	420,056	483,370
Unfulfilled pledges	-0-	14,895	-0-	14,895	750
Events	4,616	221	7,240	12,077	20,325
Occupancy	7,855	10,473	7,855	26,183	24,920
Bank and merchant card fees	-0-	16,529	-0-	16,529	11,313
Other expenses	-0-	12,605	1,290	13,895	9,095
Printing, copying, and publications	5,388	4,876	10,665	20,929	22,269
Volunteer and donor appreciation	-0-	443	1,824	2,267	8,316
Travel	-0-	11,062	-0-	11,062	9,853
Dues and subscriptions	-0-	1,068	4,500	5,568	7,450
Insurance	-0-	3,387	-0-	3,387	2,964
Computer, software and supplies	88,842	10,580	205	99,627	12,572
Telephone and internet	-0-	4,374	-0-	4,374	4,154
Postage and shipping	-0-	4,940	29	4,969	3,533
Advertising and promotion	15,181	-0-	14,755	29,936	15,824
Depreciation expense	55	465	-0-	520	685
	<u>\$ 773,731</u>	<u>\$ 282,566</u>	<u>\$ 142,467</u>	<u>\$ 1,198,764</u>	<u>\$ 1,095,334</u>

The accompanying notes are an integral part of these statements.

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TAHOE FUND

Exhibit D

STATEMENTS OF CASH FLOWS

For the Years Ended March 31, 2020 (audited) and 2019 (reviewed)

	<u>2020</u>	<u>2019</u>
	<u>Total</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 946,759	\$ 319,644
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation expense	520	685
Interest and dividends restricted for reinvestment	(280)	-0-
Unfulfilled pledges	14,895	3,750
Change in receivables	(57,427)	42,822
Amortization of discount on promises to give	(10,171)	5,395
Change in beneficial interests in assets at local community foundations	(1,100,868)	(186,872)
Change in prepaid expenses and other assets	(3,266)	(64)
Change in payables	(7,853)	(3,658)
Change in accrued liabilities and funds held for others	5,553	(13,144)
Total Adjustments	<u>(1,158,897)</u>	<u>(151,086)</u>
Net Cash Provided (Used) by Operating Activities	<u>(212,138)</u>	<u>168,558</u>
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for:		
Investment in Tahoe Trails Endowment (Note 8)	100,000	-0-
Other financing activities:		
Interest and dividends restricted for reinvestment	<u>280</u>	<u>-0-</u>
Net Provided for Financing Activities	<u>100,280</u>	<u>-0-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(111,858)	168,558
Cash and Cash Equivalents, Beginning of the Year	824,344	655,786
Cash and Cash Equivalents, End of the Year	<u>\$ 712,486</u>	<u>\$ 824,344</u>

The accompanying notes are an integral part of these statements.



# TAHOE FUND

## NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

### 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.

# TAHOE FUND

## NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

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 Doubtful Accounts

An allowance for doubtful accounts is created when an account's collectability is uncertain. Tahoe Fund estimates doubtful accounts based on factors related to the specific payer's ability to pay and current economic trends. As of March 31, 2020 and 2019, the allowance for doubtful accounts was \$14,895 and \$3,750, respectively.

### Cash and Cash Equivalents

For the purposes of the statement of cash flow, cash is defined as highly liquid investments with remaining maturities of three months or less at the time of purchase.

### 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

## TAHOE FUND

### NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

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, accounts receivable 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.

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

Management believes Tahoe Fund has met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for taxes has been provided in these financial statements. Tahoe Fund's Federal tax returns for the past three years and State tax returns for the last four years are subject to examination by tax authorities.

# TAHOE FUND

## NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

### COVID-19

The COVID-19 outbreak in the United States has caused varying degrees of disruption across substantially all businesses. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. It is at least possible that Tahoe Fund may experience adverse effects from the outbreak. The related financial impact to Tahoe Fund is unknown at this time, and therefore no provisions have been reflected in the accompanying 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 has a beneficial interest in assets held at local community foundations (Note 4). The funds are held at Parasol Foundation and Tahoe Truckee Community Foundation (local community foundations) and invested in equities, bonds and other alternative investments which fluctuate with market conditions. Tahoe Fund has evaluated the guidelines established by the local community foundations relative to diversification and maturities that target certain safety and liquidity measures and believe that, although the value of these assets are subject to fluctuations on a year-to-year basis, the investment policies of the local community foundations 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

During the years ended March 31, 2020 and 2019, Tahoe Fund transferred \$1,270,180 and \$307,786, respectively, to local community foundations for investment management with Tahoe Fund as the beneficiary. The funds consisted of project funds with donor restrictions, a board designated endowment (Note 7), the Tahoe Trails Endowment (Note 8), and operating reserves. Distributions from the accounts can be made at any time at the written request of Tahoe Fund and in accordance with the policies of the local community foundations. During the year ended March 31, 2020 and 2019, \$68,074 and \$210,000 was distributed from the local community foundations account for program expenses.

Tahoe Fund granted variance power to the local community foundations. Variance power protects funds from obsolescence. Should the purposes for which Tahoe Fund was created become obsolete, incapable of fulfillment or inconsistent with the charitable needs of the community served, it is the local community foundation's Board of Directors responsibility, after contacting and being advised by Tahoe Fund, to revise the charitable intent of remaining funds to use for a purpose as similar as possible to those set forth in the Tahoe Fund agreement.

## TAHOE FUND

### NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

At March 31, 2020 and 2019, 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:

	2020	2019
Parasol Foundation	\$ 3,389,450	\$ 2,386,361
Tahoe Truckee Community Foundation	13,911	16,131
	\$ 3,403,361	\$ 2,402,492

The beneficial interest is valued at the proportional share of pooled funds as reported to Tahoe Fund by the local community foundations and is included within Level 3 of the fair value hierarchy (Note 2). As of March 31, 2020, the local community foundation's investments are composed approximately of 43.9% domestic equities and equity funds, 5.9% international equity funds, 43.5% bonds, and 6.7% alternate investment and money market funds. As required by generally accepted accounting principles, net assets associated with these funds are classified and reported based on the existence or absence of donor-imposed restrictions.

	Level 1	Level 2	Level 3	Total
2020	\$ -0-	\$ -0-	\$ 3,403,361	\$ 3,403,361
2019	\$ -0-	\$ -0-	\$ 2,402,492	\$ 2,402,492

The following table provides a summary of changes in fair value of Tahoe Fund's Level 3 financial assets for the year ended March 31:

	2020	2019
Beginning Balance	\$ 2,402,492	\$ 2,215,622
Additions	1,270,180	307,786
Distributions	(68,074)	(210,000)
Change value of beneficial interest	(201,237)	89,084
Ending Value of Balance	\$ 3,403,361	\$ 2,402,492

#### 5. 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 discount rate used in determining the net present value of contributions receivable was 3.25% and 4% at March 31, 2020 and 2019, 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.

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NOTES TO FINANCIAL STATEMENTS  
March 31, 2020 (audited) and 2019 (reviewed)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2020	\$ -0-	\$ -0-	\$ 600,928	\$ 600,928
2019	\$ -0-	\$ -0-	\$ 548,226	\$ 548,226

Contributions receivable consist of the following:

	<u>2020</u>	<u>2019</u>
Less than 1 year	\$ 192,460	\$ 126,722
1-5 years	442,427	454,487
Total contributions receivable	634,887	581,209
Less: unamortized discount	(19,064)	(29,233)
Less: allowance for doubtful accounts	(14,895)	(3,750)
	<u>\$ 600,928</u>	<u>\$ 548,226</u>

6. Property, Furniture and Equipment

Property, furniture and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 3,425	\$ 3,425
Less: accumulated depreciation	(2,999)	(2,479)
	<u>\$ 426</u>	<u>\$ 946</u>

7. Board Designated

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. Tahoe Fund's goal is to build the fund to a minimum of \$1,000,000 with re-investment earnings and future donations with and without donor restrictions. Appropriations will not be made from the endowment until this goal is met.

The funds are held at local community foundations (Note 4) 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.

	<u>Board Designated Endowment</u>	
	<u>2020</u>	<u>2019</u>
Beginning of year	\$ 345,077	\$ 90,146
Contributions	209,224	250,000
Investment income	4,715	8,867
Unrealized loss	(53,867)	(3,945)
End of year	<u>\$ 505,149</u>	<u>\$ 345,077</u>

## TAHOE FUND

### NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

The board of directors has also established funds for a particular purpose or project. Board designations consist of the following at March 31:

	2020	2019
Designated for particular purpose or project	\$ 563,374	\$ 645,670
Operating reserves	1,038,687	934,730
Board designated endowment	505,149	345,077
	\$ 2,107,210	\$ 1,925,477

#### 8. Net Assets With Donor Restrictions

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. Tahoe Fund's goal is to grow the fund to \$2,000,000 to \$3,000,000 over time. Earnings from this fund are available for use immediately to support the endowment's purpose.

The funds are held at a local community foundation (Note 4) 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 endowment's purposes.

	Tahoe Trails Endowment	
	2020	2019
Beginning of year	\$ -0-	\$ -0-
Contributions	100,000	-0-
Investment income	280	-0-
Unrealized loss	(10,623)	-0-
End of year	\$ 89,657	\$ -0-

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

	2020	2019
Bikeways	\$ 1,178,415	\$ 765,616
Conservation	457	20,125
Environmental Venture Trust	73,767	98,417
Forest Health	14,243	14,715
Recreation & other	378,585	111,711
Tahoe Trails Endowment	89,657	-0-
Time restricted pledges	442,427	425,254
	\$ 2,177,551	\$ 1,435,838

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

## TAHOE FUND

### NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

#### 9. 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 largely 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 24 months of general expenditures, approximately \$1,200,000, 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 March 31, 2020, the following financial assets were available to meet general expenditures over the next twelve months:

Financial Assets at Year End	<u>2020</u>	<u>2019</u>
Cash	\$ 712,486	\$ 824,344
Beneficial Interests	3,403,361	2,402,492
Contributions Receivable, net	600,928	548,226
Total financial assets	<u>4,716,775</u>	<u>3,775,062</u>
 Adjustments:		
Less: Net assets with donor restrictions (See Note 8)	(2,177,551)	(1,435,838)
Plus: Time restrictions to be met during fiscal year ending March 31, 2021	293,166	341,487
Less: Board Designated (See Note 7)	(2,107,210)	(1,925,477)
Plus: Board Designated for Operating Reserves	1,038,687	934,730
	<u>(2,952,908)</u>	<u>(2,085,098)</u>
Financial Assets Available	<u>\$1,763,847</u>	<u>\$1,689,964</u>



## TAHOE FUND

### NOTES TO FINANCIAL STATEMENTS March 31, 2020 (audited) and 2019 (reviewed)

10. Sources of Revenue

For the years ended March 31, 2020 and 2019, all sources of revenue were individually 9% or less of current revenue and not considered by management to be individually significant to overall operations.

11. Donated Goods, Services and Facilities

The following amounts are recognized in the financial statements:

	2020	2019	
Use of facilities/meeting rooms	\$ 9,022	\$ 8,517	Administrative
Use of facilities/meeting rooms	6,766	6,388	Fundraising
Use of facilities/meeting rooms	6,766	6,387	Program
Database subscriptions	4,500	4,500	Fundraising
Mountain bike	2,000	-0-	Administrative
Laptop	1,000	-0-	Administrative
Consulting services	-0-	1,000	Administrative
<b>Total</b>	<b>\$ 30,054</b>	<b>\$ 26,792</b>	

Tahoe Fund has an annual grant from the Parasol Foundation for office and meeting space. The Parasol Foundation contributes 70% of the market value for furnished office space and Tahoe Fund pays the remaining 30%. Additionally, the Parasol Foundation provides meeting space and storage. The value of facilities donated by the Parasol Foundation for the year ended March 31, 2020 was \$8,469 for office space, \$13,275 for meeting space, and \$810 for storage space for a total of \$22,554. The value of facilities donated by the Parasol Foundation for the year ended March 31, 2019 was \$8,469 for office space, \$12,013 for meeting space, and \$810 for storage space for a total of \$21,292. These amounts were allocated by functional expense as noted above.

12. Related Parties

For the years ended March 31, 2020 and 2019, marketing and website services were provided by an entity owned by the spouse of a board member. For the year ended March 31, 2020, the related expense for the services was \$19,614 and as of March 31, 2020, \$1,063 was payable. For the year ended March 31, 2019, the related expense for the services was \$19,114 and as of March 31, 2019, \$2,184 was payable.

13. Subsequent Events

Subsequent events have been evaluated by management through October 9, 2020 the date that the statements were available for issuance.