Financial Statements
December 31, 2023

The Parasol Tahoe Community Foundation, Inc.

(With Comparative Totals for 2022)

Independent Auditor's Report

To the Board of Directors
The Parasol Tahoe Community Foundation, Inc.
Incline Village, Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Parasol Tahoe Community Foundation, Inc. (the Foundation), a non-profit organization, which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation 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 these 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 the Foundation's ability to continue as a going concern for 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 GAAS 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 GAAS, 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 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 the Foundation'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 the Foundation'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 the 2022 financial statements of the Foundation, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Eide Bailly LLP

Minneapolis, Minnesota
August 13, 2024

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 4,171,396	$ 7,775,342
Accounts receivable	1,125	-
Prepaid expenses	19,137	18,191
Total current assets	4,191,658	7,793,533
Noncurrent Assets		
Property and equipment, net	3,466,320	3,581,878
Other Assets		
Investments	102,263,917	82,345,616
Endowment investments	17,885,496	15,377,708
Total assets	$ 127,807,391	$ 109,098,735
Liabilities and Net Assets		
Current Liabilities		
Grants payable	$ -	$ 1,000,000
Accounts payable	27,375	-
Accrued expenses	43,582	35,645
Deferred revenue	16,900	16,400
Funds held as agency reserves and endowments	28,207,061	24,169,941
Split interest agreements	249,893	236,379
Total liabilities	28,544,811	25,458,365
Net Assets		
Without donor restrictions		
Designated for donor advised grants	71,950,695	59,560,706
Designated by the Board for operating reserve	2,550,123	2,175,545
	74,500,818	61,736,251
With donor restrictions		
Restricted for specified purpose	3,447,733	2,975,549
Restricted for capital purposes	3,428,533	3,550,862
Restricted for passage of time	944,882	813,272
Restricted for endowment	16,940,614	14,564,436
	24,761,762	21,904,119
Total net assets	99,262,580	83,640,370
Total liabilities and net assets	$ 127,807,391	$ 109,098,735

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public Support, Revenue, and Net Assets Released from Restriction				
Donations	$ 12,013,542	$ 16,527	$ 12,030,069	$ 20,013,916
Net investment return	10,409,064	3,273,300	13,682,364	(19,218,907)
Miscellaneous income	1,408	-	1,408	2,918,501
Program service fees	230,045	-	230,045	219,900
In-kind program service fees	292,395	-	292,395	293,032
Net assets released	432,184	(432,184)	-	-
Total public support, revenue, and net assets released from restriction	23,378,638	2,857,643	26,236,281	4,226,442
Expenses				
Program services				
Grants expense	9,084,915	-	9,084,915	9,491,899
In-kind grants expense	292,395	-	292,395	293,032
Building operations	614,244	-	614,244	583,198
Other	25,977	-	25,977	11,429
Total program services	10,017,531	-	10,017,531	10,379,558
Support services				
Administrative support	393,266	-	393,266	364,429
Development and fundraising	203,274	-	203,274	204,938
Total support services	596,540	-	596,540	569,367
Total expenses	10,614,071	-	10,614,071	10,948,925
Other Income/(Losses)				
Loss on abandonment of property and equipment	-	-	-	(402)
Change in Net Assets	12,764,567	2,857,643	15,622,210	(6,722,885)
Net Assets, Beginning of Year	61,736,251	21,904,119	83,640,370	90,363,255
Net Assets, End of Year	$ 74,500,818	$ 24,761,762	$ 99,262,580	$ 83,640,370

The Parasol Tahoe Community Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023				2022
		Supporting Services			
	Program Services	Administrative Support	Development and Fundraising	Total	Total
Advertising	$ -	$ -	$ 2,963	$ 2,963	$ 3,778
Conferences	-	1,101	89	1,190	3,844
Depreciation	134,640	-	-	134,640	143,825
Employee Benefits	34,882	25,925	17,338	78,145	69,001
Events	18,056	-	-	18,056	17,305
Fees for Services - Accounting	-	32,578	-	32,578	33,096
Information Technology	20,980	7,843	-	28,823	28,065
Insurance	30,277	7,654	-	37,931	44,061
Miscellaneous	3,897	728	278	4,903	5,336
Occupancy	146,507	-	-	146,507	120,918
Office Expenses	4,034	68,340	7,616	79,990	79,512
Payroll Taxes	17,552	16,402	12,222	46,176	42,423
Salaries and Wages	229,396	231,602	162,768	623,766	572,830
Travel	-	1,093	-	1,093	-
	640,221	393,266	203,274	1,236,761	1,163,994
Grants					
In-kind grants expense	292,395	-	-	292,395	293,032
Grants expense	9,084,915	-	-	9,084,915	9,491,899
	9,377,310	-	-	9,377,310	9,784,931
	$ 10,017,531	$ 393,266	$ 203,274	$ 10,614,071	$ 10,948,925

	2023	2022
Reconciliation of Change in Net Assets to Net Cash from Operating Activities		
Change in net assets	$ 15,622,210	$ (6,722,885)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	134,640	143,825
Loss on disposal of property and equipment	-	402
Contributions restricted to endowment	(15,028)	(26,100)
Realized and unrealized (gain) loss on investments, net	(8,853,882)	17,357,211
Endowment net investment	(2,774,762)	3,552,665
Changes in operating assets and liabilities		
Accounts receivable	(1,125)	1,703
Prepaid expenses	(946)	8,022
Grants payable	(1,000,000)	950,000
Accounts payable	27,375	-
Accrued expenses	7,937	6,815
Deferred revenue	500	500
Net Cash Flows from Operating Activities	3,146,919	15,272,158
Investing Activities		
Proceeds from sale of investments	18,045,082	12,899,335
Purchase of investments	(24,791,893)	(32,073,016)
Purchase of furniture and equipment	(19,082)	(13,250)
Net Cash Flows used for Investing Activities	(6,765,893)	(19,186,931)
Financing Activities		
Collections of contributions restricted to endowment	15,028	26,100
Net Change in Cash and Cash Equivalents	(3,603,946)	(3,888,673)
Cash and Cash Equivalents, Beginning of Year	7,775,342	11,664,015
Cash and Cash Equivalents, End of Year	$ 4,171,396	$ 7,775,342

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Parasol Tahoe Community Foundation, Inc. (the Foundation) was formed in 1996 as a tax-exempt, non-profit organization to benefit the Lake Tahoe Region. The Foundation envisions a thriving community created through meaningful philanthropy, inclusive communication, and the willingness to explore possibilities together.

The Foundation fulfills its mission of cultivating community philanthropy to enhance and preserve the quality of life at Tahoe by providing and assisting donors with a variety of charitable giving vehicles, supporting charitable organizations through effective grantmaking and partnering with others to create innovative solutions to community issues. It is the intention of the Foundation to continue to build charitable resources that will benefit the community today and well into the future.

Additionally, the Foundation operates the Donald W. Reynolds Community Non-Profit Center (DWR Center) which opened in August 2002. The purpose of the DWR Center is to provide an economical and collaborative environment for non-profit organizations. This innovative in-kind grant program provides local non-profit organizations with furnished office space, secure storage space and access to professional meeting rooms and event space. Operational support through the DWR Center has allowed local organizations to focus their fundraising efforts on supporting programs and services, rather than operational overhead, which has resulted in improved quality and increased quantity of services available in the community. Last year the DWR Center housed ten non-profit offices and its meeting rooms and resources were accessed by an additional 34 non-profit organizations. These accommodations and resources are provided by the Foundation at little or no cost.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Foundation’s audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for, nor restricted by, donors for long-term purposes, are considered to be cash and cash equivalents.

Investments

Investments in debt funds and equity funds with readily determinable market values are recorded at fair value with gains and losses included in the statement of activities. The fair value of investments in securities traded on national securities exchanges is valued at the closing price on the last business day of the fiscal year. Securities are held in custodial investment accounts administered by certain financial institutions.

Fund investments are made according to the investment objectives and policies adopted by the Foundation's Board. These guidelines provide for investment in equities, fixed income securities, and alternative investments with performance measured against the appropriate indices.

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

Net investment return is reported in the statement of activities and consists of interest dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Accounts Receivable

The Foundation records support fees and unconditional promises to give that are expected to be collected within one year at net realizable value. These accounts are considered fully collectible by management; therefore, no allowance for doubtful accounts is included in the financial statements.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Such gifts of assets are reported as unrestricted unless donor stipulations specify how the donated assets must be used. The basis of property and equipment sold or otherwise disposed of, and the accumulated depreciation thereon are eliminated, and any gain or loss is reported in operations. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their useful lives on a straight-line basis. The estimated useful lives for office furniture, computers and program equipment range from three to ten years, and 20 to 50 years for buildings, service equipment, and improvements.

The Foundation reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use or eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2023.

Grants Payable

The Foundation records grants payable when the grants are approved under procedures established by the Board. All grants are made in accordance with the terms of the various governing instruments and are subject to approval by the Board. These grants can only be given to public charities, government agencies, schools and faith-based organizations. In particular, the Foundation cannot provide grants to "partially-exempt" organizations, such as social clubs and homeowner associations, private non-operating foundations, or individuals.

Assets Held and Liabilities Under Split-Interest Agreements

Charitable Trusts

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

Charitable Gift Annuities

Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agree 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 payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Funds Held as Agency Reserves and Endowments

FASB ASC 605, *Transfers of Assets to a Not-for Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. FASB ASC 605 specifically requires that, if a not-for-profit organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, that community foundation must account for the transfer of such assets as a liability rather than as a contribution. The Foundation refers to such funds as agency reserves and endowments.

Net Assets

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

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve for cash flow shortages, and donor advised grants. The Board may change the designation of these net assets in the future.
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> *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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

Pursuant to the construction grant agreement between the Foundation and the Donald W. Reynolds Foundation, the Foundation was obliged to commit $1,324,300 to a restricted fund for the maintenance and upkeep of the non-profit center building and equipment such that it is maintained in "first-class" condition. During the year ended June 30, 2014, the grantor notified the Foundation that they could utilize up to 5% of the corpus each year for annual expenditures; however, the restriction on the type of expenditures is unchanged. The capital replacement fund, totaling $2,966,762 cannot be used to operate the building or for its routine custodial services; however, $1,863,441 of this amount is in excess of the amount required by the Donald W. Reynolds Foundation and is, therefore, available for use by the Foundation within the limits set out in the grant and included with other restricted net assets. Additionally, there are requirements related to the maintenance of the capital replacement fund in the lease described in Note 10.

The Donald W. Reynolds Community Non-Profit Center, less accumulated depreciation, and the capital replacement fund are considered restricted by virtue of a grant agreement for the construction of the building which states that the Foundation cannot use it for any purpose other than those approved by the grant. See Note 10.

Revenue Recognition

The Foundation recognizes revenue from program service fees at the time service is provided. Administrative fee income is considered earned as services are provided in accordance with the terms of the agreement. The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Funds received as deposits for meeting room use within the Donald W. Reynolds Non-Profit Center have been recorded as deferred revenue and are recognized as revenue when the meeting space is used.

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. There were no conditional contributions as of December 31, 2023.

In-Kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. Gifts-in-kind which are donated to the Foundation for the use of the Foundation are not sold until they are no longer useful to the Foundation. Gifts-in-kind which are donated to donor advised funds are sold and the proceeds are contributed to the appropriate donor advised fund. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Income Taxes

The Foundation is organized as a Nevada nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and has been determined not to be a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Foundation determined it may be subject to unrelated business income tax and will file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS if necessary.

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

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. The cash and cash equivalents maintained in the brokerage accounts are insured by the FDIC up to $250,000 or the Securities Investor Protection Corporation (SIPC) up to $500,000 depending on the type of account. As of December 31, 2023, the Organization had approximately $1,276 and $2,526,107 in excess of FDIC and SIPC insurance limits, respectively. To date, no losses have been experienced in any of these accounts. Credit risk associated with promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members and foundations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by the Foundation and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through August 13, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Note 2 - Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2023:

Cash and equivalents	$ 757,413
Accounts receivable	1,125
Endowment distribution	450,000
	$ 1,208,538

In addition to these funds available for general expenditures, the Foundation's Board has chosen to charge a support fee to all funds based on the funds' average daily market value over the preceding quarter. The fees are assessed on a quarterly basis. Support fees of $808,547 for December 31, 2023, were charged to specific funds. Such support fee income (Operating Fund) and support fee expense (other funds) is netted in the presentation of the statement of activities. Estimated support fees for general expenditure in 2024 are $750,000.

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

As part of a liquidity management plan, cash in excess of daily requirements is invested in money market funds, equities, bonds and alternative investments. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was $2,550,123 as of December 31, 2023.

Note 3 - Investments and Fair Value

The fair value of investments as of December 31, 2023 is as follows:

Domestic equity funds/common stock	$ 49,537,376
Real estate equity funds	1,624,281
International equity funds	27,676,461
Bonds and treasury funds	27,748,616
Alternative investment funds at NAV	13,562,679
	$ 120,149,413

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

> Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
>
> Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
>
> Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

A significant portion of investment assets are classified within Level 1 because they comprise equity securities and corporate bonds with readily determinable fair values based on daily redemption values. The Foundation invests in bond funds traded in the financial markets. Those obligations are valued by the custodians of the investments using pricing models based on credit quality, time to maturity, stated interest rates, and market rate assumptions and are classified within Level 2.

The Foundation uses Net Asset Value (NAV) per share, or its equivalent, to estimate the fair value of certain hedge funds which do not have readily determinable fair values. Investments valued at NAV are not classified within the fair value hierarchy.

The following tables present assets and liabilities measured at fair value on a recurring basis, except those measured at cost, and private equity investments at NAV as identified below, as of December 31, 2023:

	Level 1	Level 2	Total
Investments			
Domestic equity funds/common stock	$ 43,299,729	$ -	$ 43,299,729
Real estate equity funds	1,263,386	-	1,263,386
International equity funds	22,723,123	-	22,723,123
Bonds and treasury funds	19,408,093	4,040,140	23,448,233
Alternative investment funds at NAV	-	-	11,529,446
	$ 86,694,331	$ 4,040,140	$ 102,263,917

	Level 1	Level 2	Total
Endowment investments			
Domestic equity funds/common stock	$ 6,237,647	$ -	$ 6,237,647
Real estate equity fund	360,895	-	360,895
International equity fund	4,953,338	-	4,953,338
Bonds and treasury funds	3,460,013	840,370	4,300,383
Alternative investment funds at NAV	-	-	2,033,233
	$ 15,011,893	$ 840,370	$ 17,885,496

Fair Value Measurement and Disclosure (Topic 820): Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent) requires disclosures of certain attributes in entities that calculate a net asset value per share (or its equivalent) and do not have readily determinable fair value. The following table sets forth the disclosure of the attributes:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Long/short hedge funds	$ 6,569,506	$ -	Quarterly or Monthly	45-90 days
Multi-strategy hedge funds	6,988,601	-	Quarterly	60-90 days
Other investments	4,572	-	as Available	Notice Submitted
	$ 13,562,679	$ -		

Long/Short Hedge Funds – Funds that invest in long and short positions in equities and equity instruments and typically are not restricted by market capitalization, industry sector, or geography. Leverage may be utilized which can magnify changes in the values of the underlying securities.

Multi-Strategy Hedge Funds – Funds that can use a variety of investing strategies, including event driven investing in securities and credit-oriented instruments, and are typically not restricted by market capitalization, industry sector, or geography.

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31, 2023:

Building	$ 6,296,702
Furniture and equipment	484,684
Computers	40,007
	6,821,393
Less accumulated depreciation	(3,355,073)
	$ 3,466,320

Note 5 - Funds Held as Agency Reserves

All financial activities related to the agency funds are recorded in liability accounts in accordance with FASB ASC 605 (as described in Note 1) and, therefore, are not included in the statement of activities as of December 31, 2023. The agency fund transactions are as follows:

Donations	$ 3,111,770
Interest and dividend income	600,125
Net realized and unrealized gains	3,228,630
Less	
Distributions to agencies	(2,733,007)
Fees for administration	(170,398)
Net change	$ 4,037,120

Note 6 - Split Interest Agreements

The Foundation manages four charitable gift annuities, two since July 25, 2006, one since August 5, 2011, and another one since July 24, 2012, under which $101,576 of assets were received with donor restrictions to purpose or time. The Foundation has also managed a charitable remainder unitrust since February 25, 2008, under which $296,686 of assets were received for donor restricted use. The assets, which total that of the liabilities, are commingled with other Foundation investments and the income (loss) is allocated proportionately. Under terms of the agreement, the Foundation is required to pay a quarterly annuity to individuals specified by the donors. At the time the liability ceases to exist, the remaining assets will be released to the final beneficiary identified in the related agreement. The balance of the split interest agreements at December 31, 2023, totaled $249,893 and quarterly payments totaled $21,674 for the 12 months then ended.

Note 7 - Endowments

The Foundation has a donor-restricted endowment fund where the Foundation is the beneficiary and donor-restricted endowment funds where other public charities are the beneficiaries. Such endowments are established for a variety of purposes related to the operations and contributions of the Foundation and the other charities.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. At December 31, 2023, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

As of December 31, 2023, endowment net asset composition by type of fund is as follows:

Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 11,506,031
Accumulated investment gains	6,379,465
	$ 17,885,496

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023, there were no underwater endowments.

Investment and Spending Policies

An endowment spending-rate formula is used to determine the maximum amount to spend from the endowment each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the endowment investments for the prior 12 quarters at December 31 of each year to determine the spending amount for the upcoming year.

During 2023, the spending rate maximum was 4.5% of the previous three-year rolling average balance in the endowment fund. In establishing this policy, the Board of Directors considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

The endowments held for other public charities have spending policies set by the Foundation and designated in the fund agreement with the Foundation.

Changes in endowment net assets for the year ending December 31, 2023, are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	$ 15,377,708
Investment return, net	2,774,762
Contributions	15,028
Appropriation of endowment assets pursuant to spending-rate policy	(282,002)
Endowment net assets, end of year	$ 17,885,496

Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified purpose	
Maintenance of donor sponsored building on university campus	$ 262,926
Maintenance of the Donald W. Reynolds Non-Profit Center	2,966,762
Discretionary grant cycles	75,946
Education and youth development	29,811
Environment	19,891
Well-being	92,397
	3,447,733
Subject to expenditure for capital purposes	
Donald W. Reynolds Non-Profit Center	3,428,533
	3,428,533
Endowments	
Subject to the passage of time	
Funds available to the Foundation	775,402
Discretionary grant cycles	12,808
Arts, culture, and heritage	28,240
Education and youth development	59,146
Environment	2,076
Well-being	46,487
Community engagement	20,723
	944,882
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation	
Operation of the Foundation	15,351,401
Discretionary grant cycles	291,807
Arts, culture, and heritage	192,042
Education and youth development	711,771
Environment	112,497
Well-being	135,638
Community engagement	145,458
	16,940,614
	$ 24,761,762

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 the year ended December 31, 2023:

Resources for support fees	$ 31,394
Resources of community programs	13,567
Resources for grant expenses	264,894
Resources of building operations	122,329
	$ 432,184

Note 9 - In-Kind Grants

The Foundation provides in-kind grants of office, meeting, and storage space to various agencies. Since the Foundation does not charge the agencies rent, the Foundation calculates the value of the in-kind grant given to the agencies based on their usage of the building. The calculations are based upon fair value of comparable rental properties in the local area and is reported on the Statement of Functional Expenses.

Note 10 - Donald W. Reynolds Non-Profit Center Commitments

Lease and Restrictions

The building (Donald W. Reynolds Community Non-Profit Center) for the Foundation (lessee) is located on property that is leased from the Incline Village General Improvement District (IVGID) (lessor). The lease was effective January 12, 2000, for 30 years at one dollar per year, due on the first day of each year. There are three additional 23-year options available (extending the lease on the same terms) if the Foundation is not in default on any material obligations, and if notice of the Foundation's intent to exercise the option to extend the lease is given in accordance with this lease.

The Donald W. Reynolds Community Non-Profit Center must be operated on a not-for-profit basis. The lessor has the right to terminate the lease if this status changes. The lessee must use the premises for the purpose of conducting a non-profit center and related facilities, activities, seminars, workshops, lectures, and occasional fund-raising events. Any other activity must have the prior approval of the lessor.

The lease requires that the Foundation maintain a capital replacement fund, as required by the Donald W. Reynolds Foundation grant, which provided the funds for the construction of the Donald W. Reynolds Community Non-Profit Center, see Note 1. On January 24, 2002, the agreement was amended to require the Foundation to develop a business plan which, in part, sets up a program endowment. The business plan was revised in 2009.

Grant Restrictions

The grant from the Donald W. Reynolds Foundation, which provided the funds for the construction of the non-profit center, contains restrictions similar to those in the lease, and in addition provides that the non-profit center may not be used for certain other purposes, such as childcare.

On April 4, 2017, the Foundation received a letter stating "The Donald W. Reynolds Foundation will officially close on December 31, 2017. After that date, the Parasol Board will have the authority to act in lieu of the Foundation in regard to any of the terms of the original grant agreement."

Land Restrictions

IVGID obtained the land via the November 16, 1977 deed from Boise Cascade Home & Land Corporation, a Delaware corporation. The deed contains a restrictive covenant which affects the realty being leased. The deed's covenants, conditions and restrictions restrict IVGID's use of the realty to the following: "...parks and recreational and related purposes and for no other purposes." The restrictions have been amended twice and the relevant amendment, executed July 1, 1999, was signed by Irving Littman, President of Gardena Service Company, a California corporation, which is the successor corporation of Boise Cascade Home & Land Corporation. The amendment reiterates the previous restrictions but allows for the construction of a building for the use of The Parasol Foundation, Parasol Foundation collaborators, or The Parasol Foundation legal successors.

Other Restrictions

The Boise Cascade Home & Land Corporation land restriction, the IVGID lease, and the grant from the Donald W. Reynolds Foundation, together largely restrict the Foundation's use of the land and building to the non-profit activities described herein. Taken together, these documents also require the Foundation to comply with the requirements of the Internal Revenue Code and the laws of the State of Nevada to maintain its non-profit tax-exempt status. Among other effects, the Foundation is prohibited from providing any form of benefit to any party other than a qualified IRC Section 501(c)(3) charitable organization or similarly qualified entity.

Note 11 - Related Party Transactions

For the 12 months ending December 31, 2023, the Board of Directors contributed $146,200 to the Foundation. Members of the Board of Directors serve without compensation. The Foundation has no other material financial relationships with any member of the Board of Directors or employees (except normal compensation).