EideBailly

CPAs & BUSINESS ADVISORS

October 9, 2023

To the Board of Trustees
University of Nevada, Reno Foundation
Reno, Nevada

We have audited the financial statements of University of Nevada, Reno Foundation (the "Foundation") as of and for the year ended June 30, 2023, and have issued our report thereon dated October 9, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit
As communicated in our letter dated April 17, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 9, 2023.

Planned Scope and Timing of the Audit
We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence
The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies
Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates
Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures
Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Foundation's financial statements relate to: fair value measurements.

Identified or Suspected Fraud
In August 2023, a Board member made an anonymous call to Eide Bailly to discuss concerns they had that the University of Nevada, Reno ("UNR") could be receiving unrestricted funds of the Foundation without proper approval from the Foundation Board. The concerns stemmed from significant changes in leadership at UNR and the Foundation. In order to address this allegation, Eide Bailly incorporated the following procedures as part of our audit: we selected specific transfers for testing and determined all were properly authorized; and we compared the full population of transfers for the year ended June 30, 2023 to the Board-approved budget noting that total transfers were under budget for the year. Based on our understanding of the process and controls in place to transfer funds to UNR, and our testing of specific transfers, as well as total transfers to UNR during the year ended June 30, 2023, we did not note any unapproved transfers of funds to UNR.

Significant Difficulties Encountered during the Audit
We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements
For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

To correct the recorded balances for assets acquired in the SNU transaction that did not have useful lives.

Capital assets	$2,789,200	
Depreciation expense	165,958	
Accumulated depreciation		$ 165,958
Gift in kind expense		2,789,200

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Understatement of investments due to timing of statements received	$786,359

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2023, is an understatement of change in net position of $208,490, and understatement of beginning net position of $577,869.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Foundation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report
For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management
We have requested certain written representations from management which are included in the management representation letter dated October 9, 2023.

Management's Consultations with Other Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues
In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

This report is intended solely for the information and use of the Board of Trustees, and management of the Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Reno, Nevada

Financial Statements
June 30, 2023 and 2022

University of Nevada, Reno Foundation

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Independent Auditor's Report

To the Board of Trustees
University of Nevada, Reno Foundation
Reno, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the University of Nevada, Reno Foundation (a nonprofit corporation)("the Foundation") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Foundation, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 opinions.

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.

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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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 and *Government 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 GAAS and *Government 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The schedules of alumni expenses and administrative and fundraising expenses on pages 28 through 29 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedules of alumni expenses and administrative and fundraising expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
October 9, 2023

Introduction

Management's Discussion and Analysis ("MD&A") of the University of Nevada, Reno Foundation's ("the Foundation") annual financial report provides a comprehensive overview of the financial position at June 30, 2023 and its changes in financial position for the year then ended with fiscal years 2022 and 2021 data presented for comparative purposes. The intent of this discussion and analysis is to promote a greater understanding of the Foundation's financial activities and position. Management has prepared the basic financial statements and related footnote disclosures along with this MD&A in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board ("GASB"). This MD&A should be read in conjunction with the accompanying financial statements and footnotes.

About the University of Nevada, Reno Foundation

The Foundation is the University of Nevada, Reno's ("University") fundraising and gift receiving organization. It is a non-profit corporation that advances the mission of the University by pursuing and securing private support to benefit the University's students, faculty, programs and facilities. The Foundation was established in 1981 by the Nevada System of Higher Education ("NSHE"), which is the sole owner of the Foundation. Additionally, the appointment to the Foundation Board of Trustees is the responsibility of NSHE. As such, the Foundation is considered to be a component of both the University and NSHE. Transactions with the University relate primarily to the disbursement of gift funds to the University and the receipt of support from the University to fund administrative expenses of the Foundation. Alumni and Friends of the University have a generous history in giving to the Foundation year after year and in the 42 years since the Foundation was established, the total contributions to the Foundation have exceeded $644 million.

Financial Statements

This report consists of a series of financial statements prepared in accordance with GASB principles. One of the most important questions to be asked about the Foundation's finances is whether the Foundation is fulfilling its mission to support the University. The keys to understanding this question are found in the Statement of Net Position; the Statement of Support and Revenue, Expenses and Changes in Net Position; and the Statement of Cash Flows. Details of each statement follow below:

Statements of Net Position

The Statements of Net Position present the financial position of the Foundation as of June 30, 2023 and 2022. The net position is the difference between assets plus deferred outflows of resources, if any, and liabilities plus deferred inflows of resources. This is an important indicator of the Foundation's financial health. Over time, increases or decreases in net position are one indicator of the improvement or erosion of the Foundation's financial condition when considered in combination with other non-financial information.

This statement is presented with four major categories: assets, liabilities, deferred inflows of resources and net position. The assets and liabilities are classified between current and non-current. Total assets increased by $109.3 million during the year ended June 30, 2023, due to both the increase in the fair value of investments and the increase in real property (land and buildings) associated with the July 1, 2022 gift by Sierra Nevada University. Total assets increased by $6.1 million during the year ended June 30, 2022, largely due to the fair value of non-current investments.

For the year ended June 30, 2023, current assets increased by $55.9 million and non-current assets increased by $53.4 million. The increase in current assets is attributable to an increase in cash and the fair value of current investments. The increase in non-current assets is primarily attributable to the real property (land and buildings) associated with the July 1, 2022 gift by Sierra Nevada University as well as an increase in the fair value on non-current investments.

For the year ended June 30, 2022, current assets decreased by $6.4 million and non-current assets increased by $12.5 million. These are attributable to an increase in cash, a decrease in the fair value of current investments, a decrease in bequest expectancies and an increase in the fair value of non-current investments.

The following is a comparison of the Statements of Net Position at June 30:

	2023	2022	2021
Assets			
Current assets	$ 327,901,703	$ 272,025,033	$ 278,394,147
Non-current assets	168,441,811	115,050,948	102,545,093
Total assets	496,343,514	387,075,981	380,939,240
Liabilities			
Current liabilities	1,067,023	969,845	505,884
Non-current liabilities	1,279,841	194,779	204,035
Total liabilities	2,346,864	1,164,624	709,919
Deferred Inflows of Resources			
Split-interest agreements	7,524,618	6,257,437	6,167,766
Net Position			
Net investment in capital assets	44,116,418	42,848	1,658
Unrestricted	21,165,768	16,606,864	17,758,299
Restricted - expendable	221,524,477	171,033,563	181,450,571
Restricted - nonexpendable	199,665,369	191,970,645	174,851,027
Total net position	$ 486,472,032	$ 379,653,920	$ 374,061,555

Total net position was $486.5 and $379.7 million at June 30, 2023 and 2022, respectively, of which $21.2 million and $16.6 million is available for the unrestricted purposes of the Foundation.

- Net investment in capital assets is real property, buildings, land improvements and equipment, net of related accumulated depreciation.
- Unrestricted net position includes assets not subject to donor-imposed restrictions and quasi-endowments created with unrestricted, Board designated resources. Also included is the accumulated unspent earnings from the unrestricted quasi-endowments. Unrestricted funds are budgeted by the Board annually for expenditure.

- Restricted-expendable net position includes restricted gifts, which are expended in accordance with donor restrictions, and the accumulated unspent earnings from endowments as well as the corpus and accumulated unspent earnings from restricted quasi-endowments. Although the excess of the endowment value over the corpus is considered expendable, the Foundation's policy precludes spending these funds; they will continue to be invested to retain the purchasing power of the endowment for future generations.
- Restricted-nonexpendable net position includes the principal value of permanent or true endowments. Such amounts are subject to donor restrictions that the principal be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes.

Foundation Acquisition
On July 7, 2021, the Board of Trustees of the Sierra Nevada University (SNU) approved a proposed transaction to transfer SNU assets to the Foundation and transfer operations to the University of Nevada, Reno (UNR). The Nevada System of Higher Education (NSHE) Board of Regents approved this proposed transaction on July 23, 2021. Effective July 1, 2022, the land, land improvements and buildings, except for the Tahoe Environmental Research Center, were gifted and transferred to the Foundation. The beneficial interest in assets held by the community foundation and investment accounts were transferred during the year ended June 30, 2023, once all eligibility requirements were confirmed. The Tahoe Environmental Research Center and the related liability, as well as the remaining capital assets and the associated liabilities were transferred to UNR. As part of the memorandum of understanding, UNR and the Foundation agreed to use all capital assets in perpetuity.

SNU assigned, transferred, and conveyed all of its rights, title and interest in twenty-three (23) named endowment funds that were held at the Parasol Tahoe Community Foundation and with Charles Schwab to the Foundation. The Foundation assumed the funds and agreed to administer the funds consistent with the philanthropic intent of the original SNU donors. The investments were distributed and invested as per Foundation Board approval. More information is available upon request.

The total value of the in-kind gifts received from SNU was $46,250,001. Based on third-party appraisals, the land, land improvements and buildings were recorded at fair market value. Note, $90,801 of the in-kind gifts were not capitalized, but rather expensed due to them being below threshold values. In addition, $4,693,337 of endowment investments were transferred by SNU to the Foundation and recorded as outright gifts at market value at the time of transfer. Due to certain restrictions on various investments and timing issues, the Foundation received the investments at various times throughout the year.

Statements of Support and Revenue, Expenses and Changes in Net Position
The Statements of Support and Revenue, Expenses and Changes in Net Position presents revenues earned and expenses incurred during the year. Activities are reported in three categories: operating support and revenues, operating expenses and non-operating revenues such as gifts to endowments and investment results. This statement is prepared using the accrual basis of accounting, where revenues and receivables are recognized when earned or when the service is provided, and expenses and liabilities are recognized when incurred, regardless of when the cash is exchanged.

Operating support and revenues include donor contributions for unrestricted and restricted funds, university support, special events and other income. These revenues increased by $45.8 million for the year ended June 30, 2023 primarily attributable to the real property (land and buildings) associated with the July 1, 2022 gift by Sierra Nevada University. For the year ended June 30, 2022, these revenues decreased by $19.5 million.

Operating expenses include foundation administrative, alumni and fundraising expenses in addition to funds benefitting the University: capital projects, university programs and scholarships. Operating expenses increased by $11.6 million for the year ended June 30, 2023 when compared to the prior year. The largest changes were an increase of $4.9 million in University Programs which includes depreciation on capital assets used in University operations and a $4.2 million increase in Capital projects, primarily related to intercollegiate athletics facilities. Operating expenses decreased by $15.5 million for the year ended June 30, 2022 when compared to the prior year. The largest change in expenses was a decrease in spending on capital projects of $12.3 million due to the close out of the Foundation's capital campaign.

Non-operating revenues include investment related income, net of fees; realized gains and losses on investments, changes in market value of investments, as well as additions to permanent endowments and, in the year ended June 30, 2023, a $50 million transfer from the University to create a restricted quasi-endowment to aid in funding the new business building. For the year ended June 30, 2023, non-operating revenues related to investments increased by $23.9 million, due primarily to more stability in the capital markets during the year. Additions to permanent endowments (donations) decreased by $6.9 million from the prior year due to a decrease in realized bequests.

For the year ended June 30, 2022, non-operating revenues related to investments decreased by $73.4 million, largely due to the decline in the capital markets at the end of the year. Additions to permanent endowments (donations) increased by $12.4 million from the prior year due to an increase in realized bequests.

The following is a comparison of the Statements of Support and Revenue, Expenses, and Changes in Net Position for the years ended June 30:

	2023	2022	2021
Operating Support and Revenue			
Donor contributions	$ 65,751,011	$ 20,261,007	$ 39,706,517
University support	3,953,581	3,371,785	4,305,391
Special events and other income	1,310,126	1,550,102	668,377
Total operating support and revenue	71,014,718	25,182,894	44,680,285
Operating Expenses			
Program expenses			
Administrative	2,612,857	2,470,591	2,894,155
Alumni programs	313,665	283,502	73,442
Capital projects	7,338,391	3,161,550	15,455,974
Fundraising	2,559,690	1,662,015	2,334,017
University programs	21,851,684	16,952,691	18,428,568
University scholarships	7,207,456	5,709,958	6,526,414
Total operating expenses	41,883,743	30,240,307	45,712,570
Operating Income (Loss)	29,130,975	(5,057,413)	(1,032,285)
Non-operating Revenue			
Interest and dividend income, net	5,824,109	2,675,264	9,511,660
Realized gains on investments, net	13,164,717	12,173,116	12,370,904
Change in market value of investments	(1,979,993)	(21,780,499)	44,607,599
University funded quasi-endowment	50,000,000	-	-
Additions to permanent endowments	10,678,304	17,581,897	5,180,141
Total non-operating revenues	77,687,137	10,649,778	71,670,304
Change in Net Position	$ 106,818,112	$ 5,592,365	$ 70,638,019

Statements of Cash Flows

The Statements of Cash Flows shows how cash has been received or used during the year. The information provided in this statement should help financial report users assess the Foundation's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external funding. It also provides insight into the reasons for the difference between operating income and associated cash receipts and payments, and the effects on the Foundation's financial position of its cash and its non-cash investing, capital, and related financing transactions during the year.

As reflected below, the net cash and cash equivalents increased by $5.4 million to $54.6 due to the timing of certain investments.

The following is a comparison of the Statement of Cash Flows for the years ended June 30:

	2023	2022	2021
Operating Activities			
Donor contributions	$ 22,711,481	$ 27,340,748	$ 22,080,608
University support	3,940,926	3,430,169	4,255,994
Special events and other income	1,310,126	1,550,102	668,377
Cash paid to University of Nevada	(34,882,062)	(26,162,633)	(39,737,925)
Cash paid to employees for services	(4,221,116)	(3,355,460)	(4,432,674)
Cash paid to suppliers	(388,090)	(356,837)	(735,809)
Net Cash from (used for) Operating Activities	(11,528,735)	2,446,089	(17,901,429)
Non-Capital Financing Activities			
University funded quasi-endowment	50,000,000	-	-
Additions to permanent endowments	9,786,353	17,535,720	4,606,851
Net Cash from Non-Capital Financing Activities	59,786,353	17,535,720	4,606,851
Investing Activities			
Investment income	5,742,478	2,670,258	2,581,096
Proceeds from sale of land	110,769	1,167,641	2,732,337
Proceeds from sale of investments	134,318,192	93,318,858	59,514,330
Purchase of investments	(183,015,570)	(87,445,106)	(86,628,977)
Principal payments received on notes receivable	26,127	16,522	-
Net Cash from (used for) Investing Activities	(42,818,004)	9,728,173	(21,801,214)
Net Change in Cash and Cash Equivalents	5,439,614	29,709,982	(35,095,792)
Cash and Cash Equivalents, Beginning of Year	49,135,574	19,425,592	54,521,384
Cash and Cash Equivalents, End of Year	$ 54,575,188	$ 49,135,574	$ 19,425,592

Economic Outlook

The Foundation's primary sources of revenue are donor contributions, university support and investment income. A trend that continues in the foundation's fundraising efforts is donors' preference to give charitable gifts to the restricted and endowment funds rather than to the unrestricted funds that are directed to assist in funding the special projects and the operations of the Foundation. In addition, economic pressures and staffing shortfalls continue to impact the foundation's fundraising and investment returns. Though it is anticipated that fundraising pressures will continue, they are also expected to be offset during the sesquicentennial celebration that will continue through the year ahead. October 12, 2024 will mark the 150th anniversary of the University of Nevada, Reno.

The Foundation continues to actively engage with University leadership and Advancement staff in promoting philanthropy.

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 54,575,188	$ 49,135,574
Investments in marketable securities - at fair value	264,964,050	212,242,202
Due from University of Nevada	206,094	198,059
Other current assets	2,028,169	6,466,400
Notes receivable, net	29,462	26,230
Pledges receivable, net	6,098,740	3,956,568
Total current assets	327,901,703	272,025,033
Non-current Assets		
Investments in marketable securities - at fair value	110,234,747	101,364,966
Pledges receivable, net	4,013,464	4,202,028
Notes receivable, net	46,888	68,201
Real property held for the University of Nevada	9,790,450	41,900
Buildings held for the University of Nevada, less accumulated depreciation of $2,083,469 for 2023 and $0 for 2022	34,325,731	-
Intangible assets, net of depletion	3,219,447	3,265,477
Residual interest in irrevocable trusts	6,395,212	5,698,133
Other assets	415,635	409,295
Equipment, at cost, less accumulated depreciation of $29,719 for 2023 and $29,008 for 2022	237	948
Total non-current assets	168,441,811	115,050,948
Total assets	496,343,514	387,075,981
Liabilities, Deferred Inflows of Resources and Net Position		
Accounts Payable and Other Accrued Liabilities		
Due to University of Nevada	920,681	337,620
Due to AAUN Endowment	43,772	411,220
Accounts payable	102,570	221,005
Total current liabilities	1,067,023	969,845
Non-current Liabilities		
Unearned revenue	1,279,841	194,779
Total liabilities	2,346,864	1,164,624
Deferred Inflows of Resources	7,524,618	6,257,437
Net Position		
Net investment in capital assets	44,116,418	42,848
Unrestricted	21,165,768	16,606,864
Restricted - expendable	221,524,477	171,033,563
Restricted - nonexpendable	199,665,369	191,970,645
Total net position	$ 486,472,032	$ 379,653,920

See Notes to Financial Statements

	2023	2022
Operating Support and Revenue		
Donor contributions	$ 65,751,011	$ 20,261,007
University support	3,953,581	3,371,785
Special events and other income	1,310,126	1,550,102
Total operating support and revenue	71,014,718	25,182,894
Operating Expenses		
Program expenses		
Administrative	2,612,857	2,470,591
Alumni programs	313,665	283,502
Capital projects	7,338,391	3,161,550
Fundraising	2,559,690	1,662,015
University programs	21,851,684	16,952,691
University scholarships	7,207,456	5,709,958
Total operating expenses	41,883,743	30,240,307
Operating Income (Loss)	29,130,975	(5,057,413)
Non-Operating Revenue		
Interest and dividend income, net	5,824,109	2,675,264
Realized gains on investments, net	13,164,717	12,173,116
Change in market value of investments	(1,979,993)	(21,780,499)
University funded quasi-endowment	50,000,000	-
Additions to permanent endowments	10,678,304	17,581,897
Total non-operating revenues	77,687,137	10,649,778
Change in Net Position	106,818,112	5,592,365
Net Position, Beginning of Year	379,653,920	374,061,555
Net Position, End of Year	$ 486,472,032	$ 379,653,920

See Notes to Financial Statements

	2023	2022
Operating Activities		
Donor contributions	$ 22,711,481	$ 27,340,748
University support	3,940,926	3,430,169
Special events and other income	1,310,126	1,550,102
Cash paid to University of Nevada	(34,882,062)	(26,162,633)
Cash paid to employees for services	(4,221,116)	(3,355,460)
Cash paid to suppliers	(388,090)	(356,837)
Net Cash from (used for) Operating Activities	(11,528,735)	2,446,089
Non-Capital Financing Activities		
University funded quasi-endowment	50,000,000	-
Additions to permanent endowments	9,786,353	17,535,720
Net Cash from Non-Capital Financing Activities	59,786,353	17,535,720
Investing Activities		
Investment income	5,742,478	2,670,258
Proceeds from sales of land	110,769	1,167,641
Proceeds from sale of investments	134,318,192	93,318,858
Purchase of investments	(183,015,570)	(87,445,106)
Principal payments received on notes receivable	26,127	16,522
Net Cash from (used for) Investing Activities	(42,818,004)	9,728,173
Net Change in Cash and Cash Equivalents	5,439,614	29,709,982
Cash and Cash Equivalents, Beginning of Year	49,135,574	19,425,592
Cash and Cash Equivalents, End of Year	$ 54,575,188	$ 49,135,574
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities:		
Operating income (loss)	$ 29,130,975	$ (5,057,413)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation and depletion	2,093,525	8,758
Gifts of stocks and bonds	(1,076,161)	(1,201,673)
Gift of land and buildings	(46,250,001)	-
Gift of property	303	(603,678)
Expense related to non-cash gifts	90,801	-
Changes in		
Other current assets	4,554,109	14,424,858
Pledges receivable, net	(1,953,607)	(5,582,824)
Other assets	(6,340)	20,302
Due to related parties	575,027	3,452
Accounts payable	(377,430)	387,183
Unearned revenue and deferred inflows of resources	1,690,064	47,124
Net Cash from (used for) Operating Activities	$ (11,528,735)	$ 2,446,089

Note 1 - Summary of Significant Accounting Policies

The University of Nevada, Reno Foundation (the "Foundation") is a non-profit corporation. The Foundation's mission is to serve as an innovative, flexible and efficient organization to facilitate the solicitation and management of gifts, grants, bequests and other revenues for the benefit of the University of Nevada, Reno ("the University") or organizations affiliated with the University.

A summary of the Foundation's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Financial Reporting

The Foundation's articles of incorporation state that the Board of Regents of the Nevada System of Higher Education ("NSHE") constitute the membership of the Foundation. The Board of Trustees of the Foundation (the "Board") are appointed by the Board of Regents of NSHE. Upon dissolution of the Foundation, the assets held by the Foundation will transfer to NSHE to be held in trust for the use and benefit of the University. Therefore, the Foundation is reported as a component unit of NSHE and meets the definition of a governmental organization as defined by the Governmental Accounting Standards Board ("GASB"). The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial statements of the Foundation have been prepared using the accrual basis of accounting wherein revenues are recorded as earned and expenses are recorded as incurred. The NSHE handbook states that the Foundation must prepare its financial statements on the accrual basis of accounting and must adhere to Board of Regents and University policies.

Net Position

To facilitate observance of limitations and restrictions placed on the use of resources available to the Foundation, net position is classified and reported as follows, based on the existence or absence of donor-imposed restrictions:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation.
- Unrestricted net position includes assets not subject to donor-imposed restrictions and quasi-endowments created with unrestricted, Board designated resources. Also included is the accumulated unspent earnings from the unrestricted quasi-endowments. Unrestricted funds are budgeted by the Board annually for expenditure.
- Restricted-expendable net position includes restricted gifts, which are expended in accordance with donor restrictions, and the accumulated unspent earnings from endowments as well as the corpus and accumulated unspent earnings from restricted quasi-endowments. Although the excess of the endowment value over the corpus is considered expendable, the Foundation's policy precludes spending these funds; they will continue to be invested to retain the purchasing power of the endowment for future generations.
- Restricted-nonexpendable net position includes the principal value of permanent or true endowments. Such amounts are generally subject to donor restrictions that the principal be invested in perpetuity for

- the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes.

When both restricted and unrestricted resources are available for use, it is the Foundation's practice to use restricted resources first, then unrestricted resources as they are needed.

Endowments

The Foundation records two types of endowments. Permanent or true endowments are funded by gifts and bequests. The principal is reported in restricted-nonexpendable and as of June 30, 2023 and 2022, accumulated earnings of $59.4 million and $57.1 million, respectively, are reported in restricted-expendable on the Statements of Net Position. Unrestricted quasi-endowments are funds designated as endowments by the Board, and both the principal and accumulated earnings are included in unrestricted net position on the Statements of Net Position. Restricted quasi-endowments are funded by restricted purpose funds, gifts and bequests and the corpus and accumulated unspent earnings are included in restricted-expendable net position on the Statements of Net Position.

Because endowment investment funds include funds derived originally from permanently restricted gifts, the management of these funds is subject to Nevada law (NRS 164.640), The Uniform Prudent Management of Institutional Funds. The Board of Trustees has a separate Investment Committee that reviews the performance and makes recommendations on the investments.

The Foundation has adopted an investment policy that establishes a spending objective to provide funds for operating and capital expenses. This is calculated as 4.5% of the average market value of assets calculated on a rolling twelve quarter basis with a two-quarter lag. Additionally, the Foundation charges a 0.5% management fee on endowments. Earnings in excess of 5.0% are reinvested into the corpus and are reported as Restricted – Expendable on the Statements of Net Position. The spending objective is met through the use of interest, dividends, and, to the extent appropriate, accumulated realized and unrealized capital gains. During the year ended June 30, 2023, the Foundation calculated the spending objective and management fee each quarter and distributed the funds. The Foundation's policy is to withhold distributions of income and waive management fees on endowments that are under their book value.

Recognition of Support and Revenue

Donations, gifts and pledges received are recognized as income when all eligibility requirements are met, provided that the promise is verifiable, the resources are measurable, and the collection is probable. Pledges receivable are recorded at net present value using the appropriate discount rate. Pledges are examined on an annual basis to determine their collectability based upon the Foundation's collection history; an allowance is recorded for amounts where collection is uncertain. Donations, gifts and pledges received are recorded as unrestricted, restricted or endowed support depending on the existence and/or nature of any donor restrictions.

The University supports the Foundation in the form of salaries for staffing and other operating support. The Foundation records these amounts as University Support on the Statement of Support and Revenue, Expenses, and Changes in Net Position to match the expense incurred.

Cash and Cash Equivalents

The Foundation considers all highly liquid short-term interest-bearing investments purchased with an original maturity of three months or less and money market funds to be cash equivalents. Cash from all accounts are pooled for investment purposes.

Investments

Investments in equity and debt securities with readily determinable fair values are stated at fair value. In such cases, fair value is determined based on quoted market prices. Investments that do not have readily available market values are stated at fair value as reported by the Investment Manager. These investments include a diverse range of investment vehicles ("commingled funds"), including private equity, real assets, diversifying hedge funds and commodity funds. The valuation of these investments is based on the most recent value provided, with a June 30 "as of" date for most investments and a March 31 "as of" date for certain limited partnerships. To evaluate the overall reasonableness of the valuation and resulting carrying value, management obtains and considers the audited financial statements of such investments. Management believes this method provides a reasonable estimate of fair value. However, the recorded value may differ from the fair value had a readily available market existed for such investments, and those differences could be material.

Investments are stated at fair value and realized and unrealized gains and losses are reflected in the Statement of Support and Revenue, Expenses and Changes in Net Position. The cost of investments sold is based on the average cost and/or first-in, first-out basis of all the shares of each investment held at the time of sale. Dividend and interest income are recognized when earned.

Intangible Assets

Intangible assets are stated at fair value as of the date of charitable contribution. They consist of water rights and mineral rights including mining claims. The Foundation's policy is to liquidate non-cash charitable contributions as soon as practicable and considers these assets to have an indefinite life on the statement of net position. Mineral rights are subject to depletion when there is an active royalty producing arrangement.

Residual Interest in Irrevocable Trusts

The Foundation has been named as a beneficiary of irrevocable charitable remainder trusts, which have been established by donors independently to provide income, generally for life, to designated beneficiaries. The Foundation is not named as the trustee and the assets are held and administered by independent trustees. The Foundation's policy is to record the trust on the date of notification of the beneficial interest, as long as the interest is measurable and collectible. The interest in the trust is recorded at fair value using present value calculations and risk adjusted discount rates and recorded on the Statements of Support and Revenue, Expenses, and Changes in Net Position. Subsequent changes to the fair value of the assets and liabilities of all trusts are recognized as changes in value of residual interest in trusts and reflected in the Statements of Support and Revenue, Expenses, and Changes in Net Position. Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. 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.

Other Assets

Other assets are stated at fair value or acquisition value as of the date of charitable contribution. Included in other assets are bequest expectancies, interest receivable, artwork, memberships, and whole life insurance policies in which the Foundation is the beneficiary. The Foundation's policy is to liquidate non-cash charitable contributions as soon as practicable, and the Foundation considers these assets to have an indeterminable life.

The Foundation is the beneficiary under several wills and trust agreements in which the title and the proceeds are measurable – bequest expectancies. As of June 30, 2023, other current assets total $2 million, of which $1.8 million is bequest expectancies. Management believes that all bequest expectancies are collectable.

Capital Assets

Capital assets are defined as assets with an initial unit cost of $5,000 in the Fiscal year and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair market value at date of donation in the case of gifts. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation is computed using the straight-line method. The estimated useful lives of the assets are:

	Years
Buildings and improvements	40
Land improvements	10 to 15
Equipment	3 to 7

The Foundation reviews the carrying value of property and equipment for impairment whenever events and 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 and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2023 and 2022.

Income Taxes

The Foundation is a nonprofit corporation, and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income tax except for tax on unrelated business income and certain excise taxes as it is recognized under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Foundation files Form 990 and 990T with the IRS annually and to date has not incurred federal income taxes, including any associated with unrelated business income. Accordingly, no liability for Federal income taxes has been provided for in the Foundation's financial statements. For the tax year ended June 30, 2023, the Foundation expects to use net federal operating loss carryforwards. In several states, the state equivalent of a 990-T is filed annually relating to unrelated business income tax.

Management believes that the Foundation has appropriate support for 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. If incurred, the Foundation recognizes state and federal excise taxes, interest and/or penalties related to unrecognized tax liabilities or benefits in income tax expense.

Unearned Revenue

Unearned revenues are charitable gifts received in advance of all eligibility requirements being met.

Deferred Inflows of Resources

Deferred inflows of resources consist of a charitable remainder trust and a split-interest agreement of $5.78 million and $5.12 million at June 30, 2023 and 2022, respectively. The remaining $1.75 million and $1.14 million at June 30, 2023 and 2022, respectively, consists primarily of fellowship and scholarship charitable gifts received in advance when all eligibility requirements, except for time requirements, have been met.

Donated Assets and Services

Donated assets are reflected as contributions in the accompanying statements at the appraised/acquisition value at receipt. No amount for donated services has been reflected in the Foundation's financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donate significant time to the Foundation's programs, services and fundraising efforts.

Operating Support and Revenues

Operating support and revenues includes contributions (cash, non-cash, and pledges), university support, and other income and fees.

Operating Expenses

Operating expenses include disbursements in support of the University and expenses incurred to operate the Foundation.

Non-operating Revenue

Non-operating revenues include investment related income, net of fees; realized gains and losses on investments, changes in market value of investments.

Additions to permanent endowments are charitable gifts that the donor directed be endowed with the principal held intact in perpetuity. These are subject to donor restrictions that the principal be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes. In the year ended June 30, 2023, non-operating revenue includes $50 million of support from the University to create a restricted quasi-endowment to aid in funding the new business building lease payments.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent 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. Significant accounting estimates in these financial statements include the value of net pledges receivable, residual interests in irrevocable trusts and the fair value of investments.

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 net position.

Note 2 - Cash and Investments

Cash and cash equivalents consist of the following as of June 30:

	2023	2022
Cash	$ 5,052,166	$ 3,018,556
Money market funds	49,523,022	46,117,018
	$ 54,575,188	$ 49,135,574

The fair value of investments consists of the following as of June 30:

	2023	2022
Equity investments	$ 1,700,688	$ 1,116,036
Commingled funds	340,871,675	280,615,815
Certificates of deposit	4,075,242	2,202,645
Corporate bonds	3,707,113	3,961,408
U.S. Government securities	24,844,079	25,711,264
	$ 375,198,797	$ 313,607,168

At June 30, 2023, the Foundation's investments had the following maturities:

	Investment Maturities (in years)			
	Less than 1	1-5	6-21	Fair Value
Certificates of deposit	$ 3,832,216	$ 243,026	$ -	$ 4,075,242
Corporate bonds	-	3,707,113	-	3,707,113
U.S. Government securities	11,712,851	13,131,228	-	24,844,079
	$ 15,545,067	$ 17,081,367	$ -	$ 32,626,434

At June 30, 2022, the Foundation's investments had the following maturities:

	Investment Maturities (in years)			
	Less than 1	1-5	6-21	Fair Value
Certificates of deposit	$ 1,959,619	$ 243,026	$ -	$ 2,202,645
Corporate bonds	-	3,961,408	-	3,961,408
U.S. Government securities	20,690,581	5,020,683	-	25,711,264
	$ 22,650,200	$ 9,225,117	$ -	$ 31,875,317

The Foundation's investment pool is split into two discrete pools: the operating pool and the endowment pool. The Foundation's policy for the operating pool is to exercise sufficient due diligence to minimize investing operating cash in instruments that will lack liquidity. The Foundation considers the operating cash pool to consist of both short-term and intermediate-term funds. The short-term fund shall be funded in an amount sufficient to meet the expected daily cash requirements of the Foundation. The goals of the investments are to maintain the principal in the account while maximizing the return on the investments. The short-term funds are staggered in 30, 60 and 90-day investments. Appropriate types of investments are money market funds, certificates of deposit, commercial paper, U.S. Treasury bills and notes, mortgage-backed securities (U.S. Government) and internal loans to the University secured by promissory note with an appropriate interest rate. The intermediate term operating cash is invested in fixed income securities generally having an average maturity of five years or less in order to take advantage of higher yields, and include longer term certificates of deposit, government securities, or corporate notes.

The Foundation's policy for the endowment pool is to invest according to an asset allocation strategy that is designed to meet the goals of the Endowment Investment Objective. The strategy will be based on a number of factors, including:

- The projected spending needs;
- The maintenance of sufficient liquidity to meet spending payments;
- Historical and expected long-term capital market risk and return behaviors; and
- The relationship between current and projected assets of the Endowment and its spending requirements.

This policy provides for diversification of assets in an effort to maximize the investment return and manage the risk of the Endowment consistent with market conditions. Asset allocation modeling identifies asset classes the Endowment will use and the percentage each class represents in the total fund. Due to the fluctuation of fair values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur.

Investment Program Strategy

As a result of the above process, the Board has adopted the following asset allocation targets and ranges, exclusive of amounts transferred to the Endowment's operating account:

	Target	Target Range
Global Equity	43%	30%-60%
Private Investments	25%	15%-30%
Diversifiers	15%	8%-22%
Real Assets	5%	3%-8%
Fixed Income	10%	5%-15%
Cash	2%	0-5%

Although the Board adopted these ranges, the investment portfolio can't get to these allocations quickly and may be overweight or underweight based on the available investments at any given point in time.

Investment Risk Factors

There are many factors that can affect the fair value of investments. Some factors, such as credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates. The Investment Committee meets quarterly to review the investments and has policies regarding acceptable levels of risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. The Foundation restricts investment of cash and cash equivalents and investments to financial institutions with high credit standing, and the Foundation currently purchases certificates of deposit of less than $250,000 per bank or institution. Commercial paper is limited to a maximum of 10% of the total cash and cash equivalents available. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents and investments.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Fixed income securities or obligations of the U.S. Government are not considered to have credit risk.

At June 30, 2023, the Foundation's investments had the following quality ratings:

	Quality Ratings			
	Fair Value	AAA - A-	BBB+ - BBB	Unrated
Corporate bonds	$ 3,707,113	$ 3,516,948	$ 190,165	$ -

At June 30, 2022, the Foundation's investments had the following quality ratings:

	Quality Ratings			
	Fair Value	AAA - A-	BBB+ - BBB	Unrated
Corporate bonds	$ 3,961,408	$ 3,759,491	$ 201,917	$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation's investment policy limits the maturities of U.S. Treasury instruments and certificates of deposit to no more than 90 days unless the rate justifies the return and the current liquidity requirements are met.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the Foundation's deposits exceed FDIC limits and as a result may not be insured and returned to the Foundation. All cash deposits are primarily on deposit with two financial institutions and several investment companies. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2023, the Foundation's bank balances totaled $54.2 million. Of this balance, $0.9 million was covered by depository insurance and $49.5 million is held in US Government Money Market Funds and the remaining $3.8 million was uninsured and uncollateralized and, as a result, was subject to custodial credit risk at June 30, 2023. The amount was invested in US Government Money Market Funds on July 3, 2023. As of June 30, 2022, the Foundation's bank balances totaled $49.1 million. Of this balance, $1.0 million was covered by depository insurance and $46.1 million is held in US Government Money Market Funds and the remaining $2.0 million was uninsured and uncollateralized and, as a result, was subject to custodial credit risk at June 30, 2022.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments consist primarily of commingled funds. Debt and equity securities other than open-end mutual funds are uncollateralized.

Redemption Notice

Certain commingled investments classified as current have notice requirements before the investment can be redeemed; these requirements range from 1-30 days. Other commingled investments have set dates upon which they can be redeemed; these investments have been classified as long-term based on these dates.

Commitments

As of June 30, 2023 and 2022, the Foundation has commitments to acquire approximately $34.2 million and $32.4 million, respectively, in commingled funds.

Note 3 - Fair Value Measurements

The Foundation has valued their investments based on the following levels of inputs:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

Level 2 – Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs which are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes agency mortgage-backed debt securities and derivative contracts.

Level 3 – Unobservable inputs that are supported by little or no market activities and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes private equity, real estate and commingled investments where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Net asset value ("NAV") – The amount of net assets attributable to each unit outstanding at the close of the period.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value:

- *Commingled funds* – Valued at NAV or at quoted prices if traded in active markets.
- *Residual interest in irrevocable trust* – Assets held by the Foundation in commingled funds are valued at NAV.
- *Assets held in trust by others* – Assets include both commingled funds valued at NAV and the Foundation's beneficial interest in real estate where fair value is estimated based on appraised value.
- *Equity investments, certificates of deposit and U.S. Government securities* – Valued at the closing price reported on the active market on which the security is traded, if available.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Assets measured at fair value on a recurring basis at June 30, 2023 are:

	Level 1	NAV	Total
Investments			
Equity investments	$ 1,700,688	$ -	$ 1,700,688
Commingled funds	189,655,362	151,216,313	340,871,675
Certificates of deposit	4,075,242	-	4,075,242
Corporate bonds	3,707,113	-	3,707,113
U.S. Government securities	24,844,079	-	24,844,079
	$ 223,982,484	$ 151,216,313	$ 375,198,797
Residual interest in trusts			
Commingled funds	$ -	$ 617,977	$ 617,977

Assets measured at fair value on a recurring basis at June 30, 2022 are:

	Level 1	NAV	Total
Investments			
Equity investments	$ 1,116,036	$ -	$ 1,116,036
Commingled funds	177,404,045	103,211,770	280,615,815
Certificates of deposit	2,202,645	-	2,202,645
Corporate bonds	3,961,408	-	3,961,408
U.S. Government securities	25,711,264	-	25,711,264
	$ 210,395,398	$ 103,211,770	$ 313,607,168
Residual interest in trusts			
Commingled funds	$ -	$ 583,076	$ 583,076

The Foundation did not hold any investments fair valued using Level 2 or 3 inputs for the years ended June 30, 2023 and 2022.

Note 4 - Related Party Transactions

The University provided the Foundation with administrative and support services for the years ended June 30, 2023 and 2022 in the amounts of $4 million and $3.4 million respectively. The Foundation expended $14.7 million and $25.8 million for capital projects, programs and scholarships for the University of Nevada for the years ended June 30, 2023 and 2022, respectively. Amounts transferred to related parties for the years ended June 30, 2023 and 2022 were $21.7 million and $26.6 million, respectively. Amounts due to the University of Nevada at June 30, 2023 and 2022 are $0.9 million and $0.3 million, respectively. Amounts due from the University of Nevada at June 30, 2023 and 2022 are $0.2 million for both year ends.

The Foundation received $0.8 million from NSHE for each year ended June 30, 2023 and 2022, respectively, for management fees related to endowments held on the University's behalf. These amounts are included in investment income on the Statement of Support and Revenue, Expenses and Changes in Net Position. The Foundation recorded pledges receivable from related parties of $1.1 million and $2.7 million for the years ended June 30, 2023 and 2022, respectively, and in-kind contributions of $0.1 and $1.3 million, respectively, for the years ended June 30, 2023 and 2022. The Foundation received $50 million from the University during the year ended June 30, 2023 for a quasi-endowment to aid in funding the new business building.

Note 5 - Pledges Receivable, Net

Pledges receivable are recorded as revenue at the pledge date, except for pledges supporting endowment principal where the revenue is not recorded until payment is received. The net present value is calculated based upon the pledge date, the Internal Revenue Service Applicable Federal Rates (AFR) and the pledge payment schedule. The AFR currently varies from 0.4% to 5.2% depending on the term or duration of the pledge.

Pledges receivable consist of the following as of June 30:

	2023	2022
Athletics	$ 5,516,155	$ 6,777,750
College of Agriculture, Biotechnology, & Natural Resources	3,100	27,100
College of Business	2,323,679	611,248
College of Education	50,000	100,000
College of Engineering	690,000	327,010
College of Liberal Arts	178,500	160,000
College of Science	271,000	534,900
Honors	6,000	8,450
KUNR	14,000	22,617
Office of the Provost including University of Nevada, Reno at Lake Tahoe	567,000	-
School of Nursing	-	5,000
School of Public Health	1,220,000	40,000
The Graduate School	300,000	-
Scholarships	257,596	128,059
Student Services	-	150,000
School of Medicine	408,500	459,000
	11,805,530	9,351,134
Present value discount	(569,748)	(216,026)
Net present value of pledges receivable	11,235,782	9,135,108
Less current portion of pledges receivable, net	(6,098,740)	(3,956,568)
Less allowance for uncollectable pledges	(1,123,578)	(976,512)
Pledges receivable, net	$ 4,013,464	$ 4,202,028

Note 6 - Acquisitions

On July 7, 2021, the Board of Trustees of the Sierra Nevada University (SNU) approved a proposed transaction to transfer SNU assets to the Foundation and transfer operations to the University of Nevada, Reno (UNR). The Nevada System of Higher Education (NSHE) Board of Regents approved this proposed transaction on July 23, 2021. Effective July 1, 2022, the land, land improvements and buildings, except for the Tahoe Environmental Research Center, were gifted and transferred to the Foundation. The beneficial interest in assets held by the community foundation and investment accounts were transferred during the year ended June 30, 2023, once all eligibility requirements were confirmed. The Tahoe Environmental Research Center and the related liability, as well as the remaining capital assets and the associated liabilities were transferred to UNR. As part of the memorandum of understanding, UNR and the Foundation agreed to use all capital assets in perpetuity.

SNU assigned, transferred, and conveyed all of its rights, title and interest in twenty-three (23) named endowment funds that were held at the Parasol Tahoe Community Foundation and with Charles Schwab to the Foundation. The Foundation assumed the funds and agreed to administer the funds consistent with the philanthropic intent of the original SNU donors. The investments were distributed and invested as per Foundation Board approval. More information is available upon request.

Gifts to UNRF

The total value of the in-kind gifts received from SNU was $46,250,001. Based on third-party appraisals, the land, land improvements and buildings were recorded at fair market value. Note, $90,801 of the in-kind gifts were not capitalized, but rather expensed due to them being below threshold values. In addition, $4,693,337 of endowment investments were transferred by SNU to the Foundation and recorded as outright gifts at market value at the time of transfer. Due to certain restrictions on various investments and timing issues, the Foundation received the investments at various times throughout the year.

Acquired capital assets and their appraised fair market values on May 16, 2022:

Assets	Fair Market Value
Land	$ 9,750,000
Land Improvements	1,019,200
Buildings	35,390,000
Expenses Land Improvement	90,801
Total Value of In-Kind Gifts Received from SNU	$ 46,250,001

Acquired investments and their market values at time of transfer:

Transfer Date	Investment	Name	Market Value
12/22/2022	Parasol Foundation	Miriam Prim Endowment	$ 1,289,676
12/22/2022	*Parasol Foundation	SNC Residence Hall Reserve	78,273
4/19/2023	Schwab	Preger Endowment	222,073
5/5/2023	Schwab	Preger Endowment	794
12/22/2022	**Parasol Uncollateralized	Remaining Endowments	1,088,468
4/12/2023	Schwab Collateralized	Remaining Endowments	2,011,041
4/27/2023	Schwab Collateralized	Remaining Endowments	3,012
	Total Value of Investments		4,693,337
	Total Value of SNU Gifts		$ 50,943,338

* Liquidated on 4/26/2023
** Liquidated on 5/5/2023

The Lake Tahoe campus shall be designated the Wayne Prim Campus and the primary purpose of the campus shall continue to be education and research activities along with potential community activities to enhance ties between the campus and the community.

Note 7 - Subsequent Event

$3.8 million in cash subject to custodial credit risk at June 30, 2023 was invested in US Government Money Market Funds on July 3, 2023.

Supplementary Information
June 30, 2023 and 2022

University of Nevada, Reno Foundation

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	2023	2022
Alumni Programs		
Chapter	$ 3,128	$ 3,671
Homecoming	68,494	40,728
Geico	6,682	30,240
Membership fund	79,947	91,755
Outreach	73,351	34,808
Pregame	18,100	34,680
Student recruitment	-	320
Student support	37,551	28,350
Staff and office expense	26,412	18,950
Total alumni programs	$ 313,665	$ 283,502

	2023			2022
	Administrative	Fundraising	Total	Total
Payroll and Related Expenses				
Salaries and wages	$ 1,417,785	$ 1,782,068	$ 3,199,853	$ 2,589,168
Fringe benefits	457,930	563,334	1,021,264	796,291
	1,875,715	2,345,402	4,221,117	3,385,459
Operating				
Audit and tax fees	72,584	-	72,584	80,182
Advertising	-	2,141	2,141	-
Appreciation, gifts and sponsorships	1,158	1,055	2,213	1,626
Books, periodicals and subscriptions	234	50	284	1,409
Contract services	140,532	3,267	143,799	73,521
Depreciation expense	711	-	711	711
Dues and memberships	2,463	10,242	12,705	3,347
Equipment maintenance expense	231,259	45,824	277,083	197,509
Insurance, taxes and licenses	20,500	-	20,500	21,535
Legal fees	41,109	-	41,109	35,898
Meeting and hosting expense	10,868	7,539	18,407	11,785
Office expense	66,676	14,799	81,475	79,251
Photography and audio visual	1,103	-	1,103	3,082
Postage and freight	49,261	12,848	62,109	50,313
Printing and duplicating	68,879	53,271	122,150	118,760
Recruitment costs	1,083	3,882	4,965	26,025
Special events and meeting supplies	6,675	28,637	35,312	7,503
Telephone	12,884	1,491	14,375	16,167
Training and registration fees	3,705	8,834	12,539	6,045
Travel expense	5,458	20,408	25,866	12,477
	737,142	214,288	951,430	747,146
Total administrative and fundraising expenses	$ 2,612,857	$ 2,559,690	$ 5,172,547	$ 4,132,605

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
University of Nevada, Reno Foundation
Reno, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the University of Nevada, Reno Foundation (the "Foundation") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated October 9, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in the Foundation's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
October 9, 2023

Financial Statements
June 30, 2023 and 2022

Wolf Pack Athletic Association

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Independent Auditor's Report

To the Board of Directors
Wolf Pack Athletic Association
Reno, Nevada

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of the business-type activities of the Wolf Pack Athletic Association (a nonprofit corporation) and its blended component unit (the "Organization"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Organization, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 Organization 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 opinions.

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.

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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 Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 and *Government 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 GAAS and Government 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 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 Organization'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 Organization'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Organization's basic financial statements. The schedule of general, administrative, and fundraising expenses on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of general, administrative, and fundraising expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
September 22, 2023

This section of the Wolf Pack Athletic Association's (the "Organization") annual financial report presents our discussion and analysis of the financial performance of the Organization during the fiscal years ended June 30, 2023, June 30, 2022, and June 30, 2021. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes.

Reporting Entity

The Wolf Pack Athletic Association is a nonprofit corporation whose mission is to facilitate the solicitation and management of gift revenues for the benefit of athletes at the University of Nevada, Reno (the "University"). In this capacity, the Organization is considered to be a component unit of the University, as defined by Government Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Transactions with the University relate primarily to the disbursement of gift funds and the reimbursement of expenditures. The Wolf Pack Athletic Association was formerly known as the Athletic Association, University of Nevada, Inc. and changed its "doing business as" name as of August 14, 2020.

In order to facilitate reporting to the University, the Organization has elected to follow applicable GASB pronouncements and guidance rather than that of the Financial Accounting Standards Board (FASB). As the Organization was previously using traditional not-for-profit accounting, the activities are now accounted for as an enterprise fund, as allowed by GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for the State and Local Government*s.

The Roger Bergmann Athletic Endowment, for all practical purposes, is a department of the Organization, and a blended component unit, and therefore, has been included as an integral part of the Organization. The Roger Bergmann Athletic Endowment was formerly known as the WPAA Endowment Fund, Inc. and changed its "doing business as" name as of October 7, 2022.

Financial Analysis

The basic financial statements of the Organization are the Statement of Net Position, Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position presents the financial position of the Organization as of June 30, 2023 and 2022. The Statement of Revenue, Expenses, and Changes in Net Position summarizes the Organization's financial activity for the years ended June 30, 2023, and 2022. The Statement of Cash Flows reflects the effects on cash that result from the Organization's operating activities, investing activities, and capital and non-capital financing activities for the years ended June 30, 2023 and 2022.

The following schedules are prepared from the Organization's basic financial statements.

Statement of Net Position

This statement is presented with three major categories, namely assets, liabilities, and net position. The assets are classified between current and non-current assets. The current assets include cash and cash equivalents, investments and due from UNR Foundation. The non-current assets include pledges receivable and property, plant and equipment, net of depreciation.

Liabilities are also classified between current and non-current classifications. Current liabilities include other current liabilities. These liabilities represent obligations due within one year. There are no non-current liabilities.

Net Position is classified between net investment in capital assets; unrestricted net position; restricted - expendable net position; and restricted - nonexpendable net position.

For the year ended June 30, 2023, total assets increased by $202,527. Current assets increased by $204,578 and non-current assets decreased by $2,051. The overall increase is due to an increase in appreciation from the financial markets. Unrestricted net position increased by $9,537, and restricted-expendable net assets increased by $136,801.

For the year ended June 30, 2022, total assets decreased by $1,193,725. Current assets decreased by $1,191,673 and non-current assets decreased by $2,052. The overall decrease is due to a decrease in investments due to the volatility in the financial markets, offset by an increase in due from the UNR Foundation of $340,897. Unrestricted net position decreased by $138,158, and restricted-expendable net assets decreased by $1,108,187.

The Organization will continue to assist with fundraising for the athletic department and scholarships. The following is a comparison of the statement of net position at June 30:

	2023	2022	2021
Assets			
Current assets	$ 9,041,920	$ 8,837,342	$ 10,029,015
Non-current assets	37,607	39,658	41,710
Total assets	$ 9,079,527	$ 8,877,000	$ 10,070,725
Liabilities			
Current liabilities	$ -	$ 1,680	$ 1,680
Total liabilities	$ -	$ 1,680	$ 1,680
Net position			
Net investment in capital assets	$ 37,607	$ 39,658	$ 41,710
Unrestricted	941,759	932,222	1,070,380
Restricted - expendable	5,126,079	4,989,278	6,097,465
Restricted - nonexpendable	2,974,082	2,914,162	2,859,490
Total net position	$ 9,079,527	$ 8,875,320	$ 10,069,045

Capital Assets, Net

	2023	2022	2021
Assets held for the benefit of the University	$ 80,000	$ 80,000	$ 80,000
Passenger vans	35,984	35,984	35,984
Less accumulated depreciation	(78,377)	(76,326)	(74,274)
Net investment in capital assets	$ 37,607	$ 39,658	$ 41,710

Statement of Revenue, Expenses and Changes in Net Position
This statement reflects the effect of operations on net position. The statement is broken down into three categories: Operating Support and Revenue, Operating Expenses, and Nonoperating Revenue.

Operating support and revenue include donor contributions. For the year ended June 30, 2023, these revenues decreased from the year ended June 30, 2022 by $15,564 as there were decreased outright gifts. For the year ended June 30, 2022, these revenues increased from the year ended June 30, 2021 by $47,999.

Expenses include general and administrative and scholarship expenses. For the year ended June 30, 2023, these expenses increased from the year ended June 30, 2022 by $727,750. This is due to increase in scholarship and program support being distributed in 2023. For the year ended June 30, 2022, these expenses decreased from the year ended June 30, 2021 by $389,494.

The following is a comparison of the operating results for the years ended June 30:

	2023	2022	2021
Operating support and revenue			
Donor contributions	$ 34,435	$ 49,999	$ 2,000
Operating expenses			
Program services			
University of Nevada			
Scholarships	585,684	45,323	349,947
Support	189,335	-	88,667
General, administrative, and fundraising	26,781	28,727	24,930
Total operating expenses	801,800	74,050	463,544
Operating loss	(767,365)	(24,051)	(461,544)
Investment income/(loss)	911,652	(1,224,346)	2,047,199
Additions to permanent endowments	59,920	54,672	119,808
Net change in fund net position	$ 204,207	$ (1,193,725)	$ 1,705,463

Statement of Cash Flows

This statement is used to determine the Organization's ability to meet its obligations, and to determine if external financing is needed. It is presented using the direct method with three major classifications: operating activities, non-capital financing activities, and investing activities.

The following is a comparison of cash flows for the years ended June 30:

	2023	2022	2021
Cash from (used for)			
Operating activities	$ (399,546)	$ (362,896)	$ (407,800)
Non-capital financing activities	59,920	54,672	119,808
Investing activities	339,415	307,908	268,806
Net decrease (increase) in cash	(211)	(316)	(19,186)
Cash and cash equivalents, beginning	65,667	65,983	85,169
Cash and cash equivalents, ending	$ 65,456	$ 65,667	$ 65,983

Requests for Information

This report is designed to provide a general overview of the Wolf Pack Athletic Association finances for all interested parties.

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 65,456	$ 65,667
Investments	8,932,692	8,360,455
Due from UNR Foundation	43,772	411,220
Total current assets	9,041,920	8,837,342
Non-Current Assets		
Property, plant and equipment, net of depreciation	37,607	39,658
Total assets	9,079,527	8,877,000
Liabilities and Net Position		
Liabilities		
Other current liabilities	-	1,680
Total liabilities	-	1,680
Net Position		
Net investment in capital assets	37,607	39,658
Unrestricted	941,759	932,222
Restricted - expendable	5,126,079	4,989,278
Restricted - nonexpendable	2,974,082	2,914,162
Total net position	$ 9,079,527	$ 8,875,320

	2023	2022
Operating Support and Revenue		
Donor contributions	$ 34,435	$ 49,999
Operating Expenses		
Program services		
University of Nevada		
Scholarships	585,684	45,323
Support	189,335	-
General, administrative, and fundraising	26,781	28,727
Total operating expenses	801,800	74,050
Operating Loss	(767,365)	(24,051)
Nonoperating Revenue (Loss)		
Investment income (loss)	911,652	(1,224,346)
Additions to permanent endowments	59,920	54,672
Total nonoperating revenue (loss)	971,572	(1,169,674)
Change in Net Position	204,207	(1,193,725)
Net Position, Beginning of Year	8,875,320	10,069,045
Net Position, End of Year	$ 9,079,527	$ 8,875,320

	2023	2022
Operating Activities		
Donor contributions	$ 34,435	$ 49,999
Cash paid to suppliers and for scholarships	(433,981)	(412,895)
Net Cash used for Operating Activities	(399,546)	(362,896)
Non-Capital Financing Activities		
Additions to permanent endowments	59,920	54,672
Investing Activities		
Income on investments	(31,001)	(34,576)
Purchase of investments	(94,354)	(538,610)
Proceeds from sale of investments	464,770	881,094
Net Cash from Investing Activities	339,415	307,908
Net Change in Cash and Cash Equivalents	(211)	(316)
Cash and Cash Equivalents, Beginning of Year	65,667	65,983
Cash and Cash Equivalents, End of Year	$ 65,456	$ 65,667
Reconciliation of Operating Loss to Net Cash used for Operating Activities		
Operating loss	$ (767,365)	$ (24,051)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation and amortization	2,051	2,052
Changes in		
Other current liabilities, due from UNR Foundation and due to University of Nevada, Inc.	365,768	(340,897)
Net Cash used for Operating Activities	$ (399,546)	$ (362,896)

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

Nature of Operations and Reporting Entity

The Wolf Pack Athletic Association (the "Organization") is a nonprofit corporation formed to raise funds through various avenues for allocation to the University of Nevada, Reno (the "University") and other educational and charitable purposes. This objective is being met through the operation of an endowment which is used to provide support to the athletic program. The Organization was formerly known as the Athletic Association, University of Nevada, Inc. and changed its "doing business as" name to the Wolf Pack Athletic Association on August 14, 2020.

The Organization also solicits donations, in the form of pledges, from the community which are then remitted directly to the University as the funds are needed.

The Roger Bergmann Athletic Endowment ("Endowment") is a legally separate nonprofit corporation organized to aid, support, and assist the maintenance, promotion, growth, and improvement of intercollegiate athletics at the University. This objective is being met through the operation of an endowment which is used to provide athletic scholarships and financial aid to student athletes who are attending the University and are participating in intercollegiate athletics. The Roger Bergmann Athletic Endowment was formerly known as the WPAA Endowment Fund, Inc. and changed its "doing business as" name as of October 7, 2022. The Endowment is considered a blended component unit of the Organization based on the following criteria:

- The Endowment's board is appointed by the Organization and the Endowment's board is made up entirely of members of the Organization's board.
- The Organization has the ability to direct the operations of the Endowment.
- The Endowment benefits the Organization by funding the Organization's obligations.

The Endowment is included as part of the Organization's financial statements because of the nature and significance of their financial relationship with the Organization.

A summary of the Organization's activities and significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Reporting

The Organization's articles of incorporation state that upon any dissolution of the Organization, the assets held by the Organization will transfer to the Nevada System of Higher Education ("NSHE") to be held in trust for the use and benefit of intercollegiate athletics at the University of Nevada, Reno. Therefore, the Organization is reported as a component unit of NSHE and meets the definition of a governmental organization as defined by the Governmental Accounting Standards Board ("GASB"). The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The NSHE handbook states that the Organization must prepare its financial statements on the accrual basis of accounting. Thus, the financial statements of the Organization have been prepared using the accrual basis of accounting, wherein revenues are recorded as earned and expenses are recorded as incurred.

Net Position

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, net position is classified and reported as follows, based on the existence or absence of donor-imposed restrictions:

- Net investment in capital assets consists of purchased capital assets, net of accumulated depreciation.
- Unrestricted net position includes assets not subject to donor-imposed restrictions and quasi-endowments created with Board restricted resources and income from endowment investments, unless otherwise specified by the donor.
- Restricted-expendable net position includes restricted gifts and the accumulated unspent earnings from endowments.
- Restricted-nonexpendable net position includes the principal value of permanent or true endowments. Such amounts are generally subject to donor restrictions that the principal be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes.

When both restricted and unrestricted resources are available for use, it is the Organization's practice to use restricted resources first, then unrestricted resources as they are needed.

Endowments

The Organization records two types of endowments. Permanent or true endowments are funded by gifts and bequests. The principal is reported in restricted-nonexpendable and any accumulated earnings is reported in restricted-expendable on the statements of net position. Unrestricted quasi-endowments are funds designated as endowments by the Organization Board, and both the principal and accumulated earnings are included in unrestricted net position on the statements of net position.

Because endowment investment funds include funds derived originally from permanently restricted gifts, management of these funds is subject to Nevada law (NRS 164.640), The Uniform Prudent Management of Institutional Funds. The Board has interpreted state law as allowing it to use any of the investment returns as is prudent considering the Organization's long and short-term needs, expected total return on its investments, price level trends and general economic conditions.

Recognition of Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions, including pledges, received are recorded as unrestricted or restricted-expendable depending on the existence and/or nature of any donor restrictions. Pledges receivable is recorded at net present value using the appropriate discount rate.

Contributed property and equipment is recorded at acquisition value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted or endowed support depending on the nature of donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

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

Cash and Cash Equivalents

Cash and cash equivalents consist of a general checking account.

Investments

Investments consist of commingled funds held in the Commonfund that do not have readily available market values that are stated at fair value as reported by the Organization's investment managers. Net appreciation (depreciation) in the fair value of investments is shown in the statement of revenue, expenses, and changes in net position.

Property, Plant and Equipment

Property acquired is presented at cost, if purchased, or fair value at date of donation, if acquired by gift or bequest. Depreciation is provided on the straight-line method over the estimated useful life of the asset.

Federal Income Taxes

The Organization is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as a charitable organization described in Section 501(c)(3). The Organization files the required annual 990 federal income tax returns and has not incurred federal income taxes in the current or any prior years. The Organization determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the Internal Revenue Service. Accordingly, no liability for Federal income taxes has been provided in the financial statements.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization 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. The Organization's Form 990s are no longer subject to tax examination for years before 2019.

Donated Assets and Services

Donated assets and services are reflected as contributions in the accompanying statements at their estimated value at date of receipt. A large number of people have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect the value of these donated services as no contractual agreements exist for reasonably determining an appropriate amount.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent 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. Significant accounting estimates made by management include the calculation of pledges receivable and the fair value of investments.

Note 2 - Cash and Investments

Cash and cash equivalents consisted of the following at June 30:

	2023	2022
Cash	$ 65,456	$ 65,667

Investments at fair value consisted of the following as of June 30:

	2023	2022
Commingled funds	$ 8,932,692	$ 8,360,455

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Organization restricts investment of cash and cash equivalents and investments to financial institutions with high credit standings. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents and investments.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. All cash deposits are primarily on deposit with one financial institution and one investment company. The Organization does not have a deposit policy for custodial credit risk. As of June 30, 2023 and 2022, the Organization's bank balance was $65,456 and $65,667, respectively, of which the full balance was covered by depository insurance and/or collateralized.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Organization will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments consist primarily of commingled funds through a single custodian.

Redemption Notice

Certain commingled investments have notice requirements before they can be liquidated, these requirements range from 1–30 days, and can be redeemed monthly.

Note 3 - Fair Value Measurements

The Organization has valued their investments based on the following inputs:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.
Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or valuations based on models where significant inputs are observable or can be corroborated by observable market data.
Level 3 – Valuations based on models where significant inputs are not observable, and for which the determination of fair value requires significant management judgment or estimation.

Net asset value ("NAV") – The amount of net assets attributable to each share of capital stock (other than senior equity securities; that is, preferred stock) outstanding at the close of the period.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value:

- Commingled funds – Valued at NAV

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The Commonfund's Multi-Strategy Equity Fund's objective is to offer an actively managed, multi-manager investment program that will provide broad exposure to global equity markets. The fund seeks to add value above the return of U.S. market measured by the S&P 500 Index, net of fees, and to provide competitive returns relative to the Russell U.S. Large Cap Market Oriented Equity Universe. The fund's risk characteristics will vary from those of the Index due to its diversified exposures to sectors outside of the index, including non-U.S. equity markets and to certain marketable alternative strategies.

The Commonfund's Multi-Strategy Bond Fund's objective is to offer an actively managed, multi-manager investment program that will provide broad exposure to global debt markets. The fund seeks to add value above the return of the broad U.S. bond market, as measured by the Barclay's Capital U.S. Aggregate Bond Index, net of fees, and to provide competitive returns relative to the Russell U.S. Core Plus Fixed Income Universe. The fund's risk characteristics will vary from those of the Index due to its diversified exposures to sectors outside of the index, including below investment grade debt and international bond and currency markets.

	2023	2022
Commingled funds	$ 8,932,692	$ 8,360,455

The Organization does not hold any investments valued using Level 1, 2 or 3 inputs.

Note 4 - Property, Plant and Equipment

Property, plant and equipment consisted of the following as of June 30:

	2022	Additions	Deletions	2023
Assets held for the benefit of the University	$ 80,000	$ -	$ -	$ 80,000
Passenger vans	35,984	-	-	35,984
Less accumulated depreciation	(76,326)	(2,051)	-	(78,377)
	$ 39,658	$ (2,051)	$ -	$ 37,607

Depreciation expense for the years ended June 30, 2023 and 2022 was $2,051 and $2,052, respectively.

Note 5 - Restricted-Expendable Net Position

Restricted-expendable net position is to be held available for the following purposes as of June 30:

	2023	2022
Scholarships	$ 5,126,079	$ 4,989,278

Note 6 - Related Party Transactions

The Organization expended $775,019 and $45,323 for programs for the University for the years ended June 30, 2023 and 2022, respectively.

Note 7 - Blended Component Unit

As described in Note 1, the financial statements include the financial data of the Organization's blended component unit, Roger Bergmann Athletic Endowment condensed combining financial data is as follows:

Condensed Statement of Net Position
June 30, 2023

	Wolf Pack Athletic Association	Roger Bergmann Athletic Endowment	Total
Total current assets	$ 65,456	$ 8,976,464	$ 9,041,920
Due from WPAA Endowment/due to WPAA	(24,920)	24,920	-
Property, plant, and equipment, net	37,607	-	37,607
Total assets	78,143	9,001,384	9,079,527
Total liabilities	-	-	-
Net investment in capital assets	37,607	-	37,607
Unrestricted	40,536	901,223	941,759
Restricted - expendable	-	5,126,079	5,126,079
Restricted - nonexpendable	-	2,974,082	2,974,082
Total net position	$ 78,143	$ 9,001,384	$ 9,079,527

Condensed Statement of Net Position
June 30, 2022

	Wolf Pack Athletic Association	Roger Bergmann Athletic Endowment	Total
Total current assets	$ 65,667	$ 8,771,675	$ 8,837,342
Due from WPAA Endowment/due to WPAA	(11,821)	11,821	-
Property, plant, and equipment, net	39,658	-	39,658
Total assets	93,504	8,783,496	8,877,000
Total liabilities	840	840	1,680
Net investment in capital assets	39,658	-	39,658
Unrestricted	53,006	879,216	932,222
Restricted - expendable	-	4,989,278	4,989,278
Restricted - nonexpendable	-	2,914,162	2,914,162
Total net position	$ 92,664	$ 8,782,656	$ 8,875,320

Condensed Statement of Revenue, Expenses and Change in Net Position
June 30, 2023

	Wolf Pack Athletic Association	Roger Bergmann Athletic Endowment	Total
Operating support and revenue	$ -	$ 34,435	$ 34,435
Operating expense			
Program services	-	(775,019)	(775,019)
General, administrative, and fundraising	(14,521)	(12,260)	(26,781)
Operating loss	(14,521)	(752,844)	(767,365)
Investment loss	-	911,652	911,652
Additions to permanent endowments	-	59,920	59,920
Change in net position	(14,521)	218,728	204,207
Net position, beginning of year	92,664	8,782,656	8,875,320
Net position, end of year	$ 78,143	$ 9,001,384	$ 9,079,527

Condensed Statement of Revenue, Expenses and Change in Net Position
June 30, 2022

	Wolf Pack Athletic Association	Roger Bergmann Athletic Endowment	Total
Operating support and revenue	$ -	$ 49,999	$ 49,999
Operating expense			
Program services	-	(45,323)	(45,323)
General, administrative, and fundraising	(15,548)	(13,179)	(28,727)
Operating loss	(15,548)	(8,503)	(24,051)
Investment income	-	(1,224,346)	(1,224,346)
Additions to permanent endowments	-	54,672	54,672
Change in net position	(15,548)	(1,178,177)	(1,193,725)
Net position, beginning of year	108,212	9,960,833	10,069,045
Net position, end of year	$ 92,664	$ 8,782,656	$ 8,875,320

Condensed Statement of Cash Flows
June 30, 2023

	Wolf Pack Athletic Association	Roger Bergmann Athletic Endowment	Total
Net cash from (used for)			
Operating activities	$ (211)	$ (399,335)	$ (399,546)
Non-capital financing activities	-	59,920	59,920
Investing activities	-	339,415	339,415
Net change in cash and cash equivalents	(211)	-	(211)
Cash and cash equivalents, beginning of year	65,667	-	65,667
Cash and cash equivalents, end of year	$ 65,456	$ -	$ 65,456

Condensed Statement of Cash Flows
June 30, 2022

	Wolf Pack Athletic Association	Roger Bergmann Athletic Endowment	Total
Net cash from (used for)			
Operating activities	$ (316)	$ (362,580)	$ (362,896)
Non-capital financing activities	-	54,672	54,672
Investing activities	-	307,908	307,908
Net change in cash and cash equivalents	(316)	-	(316)
Cash and cash equivalents, beginning of year	65,983	-	65,983
Cash and cash equivalents, end of year	$ 65,667	$ -	$ 65,667

Supplementary Information
June 30, 2023 and 2022

Wolf Pack Athletic Association

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	2023	2022
Operating		
Accounting fees	$ 24,520	$ 25,709
Bank charges	209	317
Insurance, taxes and licenses	-	649
Depreciation expense	2,052	2,052
	$ 26,781	$ 28,727

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Wolf Pack Athletic Association
Reno, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Wolf Pack Athletic Association and its blended component unit (the "Organization") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated September 22, 2023.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Organization's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
September 22, 2023