ANDRE AGASSI FOUNDATION FOR EDUCATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

ANDRE AGASSI FOUNDATION FOR EDUCATION
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Andre Agassi Foundation for Education
Las Vegas, Nevada

We have audited the accompanying financial statements of Andre Agassi Foundation for Education (the Foundation), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
Andre Agassi Foundation for Education

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Andre Agassi Foundation for Education as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 9, 2019

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	$ 1,576,570	$ 1,242,901
Pledges Receivable, Net	-	628,090
Investments	91,864,053	105,999,408
Property and Equipment, Net	24,114,549	25,604,653
Other Assets	128,833	86,657
Total Assets	$ 117,684,005	$ 133,561,709
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 116,413	$ 274,432
Contributions Payable and Grant Commitments	3,753,986	6,082,875
Due to Related Party	62,757	53,359
Amounts Due Beneficiaries	86,529	98,029
Interest Rate Swap Liabilities	-	4,567,469
Line of Credit	14,031,665	14,650,000
Total Liabilities	18,051,350	25,726,164
NET ASSETS		
Without Donor Restrictions	99,282,671	106,776,048
With Donor Restrictions	349,984	1,059,497
Total Net Assets	99,632,655	107,835,545
Total Liabilities and Net Assets	$ 117,684,005	$ 133,561,709

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Fundraising:			
General Contributions and Pledges	$ 314,295	$ -	$ 314,295
Assets Released from Restriction	81,424	(81,424)	-
Total Fundraising	395,719	(81,424)	314,295
Investment Income:			
Interest and Dividends	2,561,480	-	2,561,480
Realized (Unrealized) Losses	(5,833,173)	-	(5,833,173)
Investment Advisor and Manager Fees	(646,828)	-	(646,828)
Total Net Investment Income	(3,918,521)	-	(3,918,521)
Other Income:			
Gain on Interest Rate Swap Agreement	1,399,469	-	1,399,469
Other Income	63	-	63
Loss on Contributions	628,089	(628,089)	-
Loss on Investment Impairment	(787,477)	-	(787,477)
Total Other Income	1,240,144	(628,089)	612,055
Total Revenue, Gains, and Other Support	(2,282,658)	(709,513)	(2,992,171)
EXPENSES			
Program	3,953,980	-	3,953,980
General and Administrative	1,256,229	-	1,256,229
Fundraising	510	-	510
Total Expenses	5,210,719	-	5,210,719
DECREASE IN NET ASSETS	(7,493,377)	(709,513)	(8,202,890)
Net Assets - Beginning of Year	106,776,048	1,059,497	107,835,545
NET ASSETS - END OF YEAR	$ 99,282,671	$ 349,984	$ 99,632,655

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Fundraising:			
General Contributions and Pledges	$ 393,870	$ -	$ 393,870
Assets Released from Restriction	119,365	(119,365)	-
Total Fundraising	513,235	(119,365)	393,870
NET INVESTMENT GAIN			
Interest and Dividends	3,150,591	-	3,150,591
Realized (Unrealized) Gains	9,750,464	-	9,750,464
Investment Advisor and Manager Fees	(594,207)	-	(594,207)
Total Net Investment Income	12,306,848	-	12,306,848
OTHER INCOME			
Gain on Interest Rate Swap Agreement	739,261	-	739,261
Other Income	100	-	100
Total Other Income	739,361	-	739,361
Total Revenue, Gains, and Other Support	13,559,444	(119,365)	13,440,079
EXPENSES			
Program	8,603,987	-	8,603,987
General and Administrative	1,162,913		1,162,913
Fundraising	874	-	874
Total Expenses	9,767,774	-	9,767,774
INCREASE (DECREASE) IN NET ASSETS	3,791,670	(119,365)	3,672,305
Net Assets - Beginning of Year	102,984,378	1,178,862	104,163,240
NET ASSETS - END OF YEAR	$ 106,776,048	$ 1,059,497	$ 107,835,545

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENTS OF FUNCTIONAL EXPENSE
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Program	General and Administrative	Fundraising	2018 Total
Salary and Benefits	$ -	$ 399,458	$ -	$ 399,458
Professional Fees	-	119,855	510	120,365
Uncollectible Pledge Expense	-	628,090	-	628,090
Travel	-	8,055	-	8,055
Office Expenses	-	64,186	-	64,186
Miscellaneous Expenses	-	1,903	-	1,903
Occupancy	410,502	34,682	-	445,184
Interest Expenses	972,752	-	-	972,752
Charitable Contributions	773,260	-	-	773,260
Depreciation Expense	1,797,466	-	-	1,797,466
Total Expenses	$ 3,953,980	$ 1,256,229	$ 510	$ 5,210,719

	Program	General and Administrative	Fundraising	2017 Total
Salary and Benefits	$ -	$ 498,792	$ -	$ 498,792
Professional Fees	-	418,456	844	419,300
Uncollectible Pledge Expense	-	119,365	-	119,365
Travel	-	7,564	-	7,564
Office Expenses	-	18,502	-	18,502
Miscellaneous Expenses	-	64,360	30	64,390
Occupancy	130,801	35,874	-	166,675
Interest Expenses	1,179,972	-	-	1,179,972
Charitable Contributions	5,268,678	-	-	5,268,678
Depreciation Expense	2,024,536	-	-	2,024,536
Total Expenses	$ 8,603,987	$ 1,162,913	$ 874	$ 9,767,774

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (8,202,890)	$ 3,672,305
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,797,466	1,654,460
Amortization	-	370,076
Change in Fair Value of Interest Rate Swap	(3,168,000)	(739,261)
Gain on Interest Rate Swap Agreement	(1,399,469)	-
Uncollectible Pledge Expense	628,090	-
Loss on Investment Impairment	787,477	-
Realized/Unrealized (Gain) Loss on Investments	5,833,173	(9,750,464)
Change in Operating Assets and Liabilities:		
Pledges Receivable	-	119,365
Related Party Receivable	-	212,781
Other Assets	(42,176)	(78,046)
Accounts Payable and Accrued Expenses	(158,019)	264,487
Contributions Payable and Grant Commitments	(2,328,889)	4,347,875
Due to Related Party	9,398	15,488
Net Cash Provided (Used) by Operating Activities	(6,243,839)	89,066
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(12,850,784)	(14,914,702)
Proceeds from Sales of Investments	20,365,489	16,160,605
Purchases of Property and Equipment	(307,362)	(370,915)
Net Cash Provided by Investing Activities	7,207,343	874,988
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments to Beneficiaries	(11,500)	(11,500)
Payments on Line of Credit	(618,335)	(379,413)
Net Cash Used by Financing Activities	(629,835)	(390,913)
NET INCREASE IN CASH AND CASH EQUIVALENTS	333,669	573,141
Cash and Cash Equivalents - Beginning of Year	1,242,901	669,760
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,576,570	$ 1,242,901
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	$ 605,110	$ 935,184

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Andre Agassi Foundation for Education (the Foundation) is a nonprofit corporation organized under the laws of the state of Ohio. The Foundation is dedicated to assisting underprivileged, abused, and abandoned children with regards to building their self-respect and their school, career and developmental skills. Accordingly, the Foundation contributes to programs and organizations that provide recreational, educational, and protective services to children from low-income families. The Foundation's primary support is through donor contributions obtained from a special charity event, charitable pledges, and grants.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents include bank balances and financial instruments with a maturity of three months or less at acquisition. For the purpose of the statements of cash flows, cash and cash equivalents that are restricted or segregated within managed investments are excluded.

The Foundation maintains bank balances that periodically exceed federally insured limits should the institution become insolvent. The Foundation believes that the risk of loss is remote.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Contributions, including unconditional promises to give, are recognized as revenue in the period pledged. In accordance with accounting standards, contributions receivable, less an appropriate reserve, are recorded at their estimated fair value. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at a rate which is applicable to the years in which the promises were received. Amortization of the discount is credited to contribution income. The expiration of the donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and the related resources are classified as net assets without donor restrictions.

Investments

Pursuant to accounting standards, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statements of activities. Foreign investments, investments in corporate, municipal government, and government agency securities are stated at current market value determined by closing market prices or closing market bid quotations as referenced in published sources of current market quotations. Foreign investments are translated into United States dollars at year-end rates of exchange.

Investments in hedge funds are valued at fair value based on the applicable percentage ownership of the underlying partnerships' net assets as of the measurement date, as provided by the fund managers. The underlying investment partnerships value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of underlying investment partnerships, which may include private placement or other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective other investment partnership and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Foundation's investments in other investment partnerships generally represents the amount the Foundation would expect to receive if it were to liquidate its investment in the other investment partnerships excluding any redemption charges that may apply.

Realized gains and losses on sales of securities are determined on a specific identity basis and are included under investment income in the accompanying statements of activities. Unrealized appreciation (depreciation) of investments is recorded in the accompanying statements of activities. Changes in the value of foreign investments resulting from changes in the exchange rates are reported as part of the unrealized appreciation (depreciation) of the related investments.

Market volatility of equity-based investments is expected to substantially impact the value of such investments at any given time. Management evaluates the investment portfolio on an ongoing basis.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost if purchased or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	27.6 Years
Leasehold Improvements	5 to 15 Years
Furniture and Fixtures	5 to 7 Years
Computers and Office Equipment	2 to 5 Years
Software	3 Years

Amounts Due Beneficiaries

A liability is recorded for the amount due beneficiaries of charitable gift annuities when the Foundation acts as trustee. The present value of the estimated future payments to be distributed during the beneficiary's expected life and the remainder interest at the beneficiary's death is recorded as a liability using a discount rate of 5% based on the year the gift was received.

Interest Rate Swaps

The Foundation uses interest rate swaps to assist in managing interest incurred on its long-term debt. The difference between amounts received and amounts paid under such agreements, as well as any costs or fees, is recorded as a reduction of, or addition to, interest expense as incurred over the life of the swap. The Foundation accounts for interest rate swap agreements in accordance with the Derivative Instruments and Hedging accounting standards, which requires the Foundation to measure every derivative instrument (including certain derivative instruments embedded in other contracts) at fair value and record them in the balance sheets as either an asset or liability. Changes in fair value of derivatives are recorded currently in revenue as a change in fair value of the swap unless special hedge accounting criteria are met.

Revenue Recognition

Pursuant to accounting standards, contributions are measured at their fair values and are recognized as revenue when they are pledged.

Contributions – Contributions include donations from the general public.

In-Kind Contributions – The Foundation receives donated services, goods to auction, and other gift items for the annual special event.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

Donated services are recognized as contributions if the services: create or enhance nonfinancial assets or required specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Donated materials are recorded as contributions at the estimated fair value on the date received. The value of the contribution of materials is recognized as both revenue and as expense to the Foundation. Donated property and equipment is recorded as a contribution at the estimated fair value on the date received. The value of the contribution of property and equipment is recognized as revenue to the Foundation and also capitalized within property and equipment and depreciated over the estimated useful life of the asset. The Foundation recognized $-0- of donated services, materials, and property and equipment for the years ended December 31, 2018 and 2017.

Functional Expense Allocation

The costs of providing the program and supporting services have been summarized on a functional basis on the statement of functional expenses. Occupancy costs are allocated among the program and supporting service categories based upon managements estimate. Other costs are allocated on a direct basis.

Financial Instruments and Credit Risk Concentration

Market risk arises primarily from changes in the market value of financial instruments. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Foundation’s overall exposure to market risk. The Foundation attempts to control its exposure to market risk through a diversified investment portfolio.

Concentration of credit risk arises primarily from investing a large portion of total investments with a few investment managers or investment partnerships. The Foundation is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, investment managers, and banks. In the event counterparties do not fulfill their obligations, the Foundation may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Foundation’s policy to transact with counterparties with good credit standing.

In the normal course of its business, the Foundation enters into contracts and agreements with certain service providers, such as clearing and custody agents, trustees, and administrators that contain a variety of representations and warranties and which provide general indemnifications and guarantees against specified potential losses in connection with their activities as an agent of, or providing services to, the Foundation. The Foundation expects the risk of any future obligation arising from potential losses under these arrangements to be remote and has not recorded any contingent liability in the financial statements for these indemnifications.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk Concentration (Continued)

The money managers of underlying investment partnerships in which the Foundation invests may utilize derivative instruments with off-balance-sheet risk. The Foundation's exposure to risk is limited to the amount of its investment.

Income Taxes

The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and recognized by the Internal Revenue Service as other than a publicly supported charity other than a private foundation. Occasionally, the Foundation may be subject to unrelated business income tax. Any unrelated business income tax previously paid by the Foundation has been minimal.

The Foundation has adopted the accounting standard which addresses the determination whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements.

Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position would be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertain income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. Management has evaluated the Foundation's tax positions and has concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance. The Foundation files income tax returns in the U.S. federal jurisdiction.

The Foundation files Form 990 (Return of Organization Exempt from Income Tax). When the return is filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would be ultimately sustained. Examples of tax positions common to the Foundation include such matters as the tax status of the entity and various positions relative to potential sources of unrelated business taxable income (UBIT). The benefit of a tax position in the financial statements is in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeal or litigation processes, if any.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

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

Subsequent Events

The Foundation has evaluated subsequent events through October 9, 2019, the date on which the financial statements were available to be issued.

Reclassifications

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

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied retrospectively to all periods presented which had no change on net assets.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable represent amounts to be collected by the Foundation in installments. Pledges receivable from officers (discounted) for years ended December 31, 2018 and 2017 was approximately $-0- and $628,000, respectively. Pledges receivable were all current as of December 31, 2018 and 2017.

NOTE 3 INVESTMENTS

Private investment funds will often utilize various derivative financial instruments in the normal course of business in connection with proprietary trading and investing activities, arbitrage opportunities, or for managing risk. Derivatives held by funds are recorded at fair value utilizing methods above or possibly by valuations provided by counterparties for some negotiated contracts.

NOET 3 INVESTMENTS (CONTINUED)

Special situation fund types include venture capital, distress securities, special situation, and merger/arbitrage. These types of funds often hold private placement securities that require fund manager appraisal. These investments are less liquid than the Foundation's other investments.

Merrill Lynch serves as the investment advisor to the Foundation.

Investments consist of the following at December 31:

	2018	2017
Cash and Cash Equivalents	$ 1,410,509	$ 4,029,541
Money Market Mutual Funds	10,961,592	13,990,683
Marketable Equity Securities:		
U.S. Equity	33,897,518	39,917,126
International Equity	4,576,886	6,254,828
Fixed Income:		
Corporate Bonds	3,398,388	4,493,800
U.S. Government Securities	3,657,541	3,911,231
Other Investments - Annuities	1,177,492	1,235,810
Private Investment Funds:		
Hedge Funds	21,384,510	21,551,110
Fund of Funds - Real Estate	2,951,531	4,119,751
Private Equity	7,589,480	5,574,082
Investments Recorded at Cost	548,721	705,873
Settlements Pending	309,885	215,573
Total	$ 91,864,053	$ 105,999,408

NOTE 4 FAIR VALUE MEASUREMENTS

As defined in accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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

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

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

Marketable equity securities are based on quoted market prices and are categorized as Level 1 of the fair value hierarchy. Investments in money market funds are based net asset value per ownership share and are categorized as Level 2 of the fair value hierarchy.

Other investments represent annuity contracts. These investments are valued based on activity for similar assets or liabilities, are categorized as Level 2 of the fair value hierarchy.

Investments carried at cost are reviewed annually for any impairment that is considered other than temporary. For the years ended December 31, 2018 and 2017, impairment loss on investments of $787,477 and $-0-, respectively, was recognized.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

For the years ended December 31, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent. The tables below present the balance of assets and liabilities at December 31, which are measured at fair value on a recurring basis:

		Fair Value Measurements Using		
	2018 Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Cash and Cash Equivalents	$ 1,410,509	$ -	$ -	$ -
Money Market Mutual Funds	10,961,592	-	-	-
Marketable Equity Securities:				
U.S. Equity	33,897,518	33,897,518	-	-
International Equity	4,576,886	4,576,886	-	-
Fixed Income:				
Corporate Bonds	3,398,388	-	3,398,388	-
U.S. Government Securities	3,657,541	-	3,657,541	-
Other Investments - Annuities	1,177,492	-	1,177,492	-
Total Investments at Fair Value	59,079,926	38,474,404	8,233,421	-
Investments Measured at Net Asset Value or its Equivalent	31,925,521	-	-	-
Settlements Pending	309,885	-	-	-
Investments Recorded at Cost	548,721	-	-	-
Total Investments	$ 91,864,053	$ 38,474,404	$ 8,233,421	$ -

		Fair Value Measurements Using		
	2017 Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Cash and Cash Equivalents	$ 4,029,541	$ -	$ -	$ -
Money Market Mutual Funds	13,990,683	-	-	-
Marketable Equity Securities:				
U.S. Equity	39,917,126	39,917,126	-	-
International Equity	6,254,828	6,254,828	-	-
Fixed Income:				
Corporate Bonds	4,493,800	-	4,493,800	-
U.S. Government Securities	3,911,231	-	3,911,231	-
Other Investments - Annuities	1,235,810	-	1,235,810	-
Total Investments at Fair Value	73,833,019	46,171,954	9,640,841	-
Investments Measured at Net Asset Value or its Equivalent	31,244,943	-	-	-
Settlements Pending	215,573	-	-	-
Investments Recorded at Cost	705,873	-	-	-
Total Investments	105,999,408	46,171,954	9,640,841	-
Liabilities				
Interest Rate Swap Liability	4,567,469	-	4,567,469	-
Total Fair Value Assets and Liabilities	$ 110,566,877	$ 46,171,954	$ 14,208,310	$ -

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of December 31:

	2018			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds				
Hedge Fund - Long/ Short (a)	$ 8,230,343	$ 215,774	Monthly, Quarterly, and Annually	5 - 60 Days
Hedge Fund - Multi Strategy (b)	5,662,222	-	Quarterly	45 - 60 Days
Hedge Fund - Distressed (c)	19,654	362,247	Monthly and Quarterly	10 - 30 Days
Hedge Fund - Distressed (c)	862,605	-	Annually	90 Days
Hedge Fund - Managed Futures (d)	2,364,077	-	Quarterly	45 Days
Hedge Fund - Debt Arbitrage (e)	-	-	Quarterly	30 - 60 Days
Hedge Fund - Global (f)	3,604,070	-	Monthly	5 - 30 Days
Hedge Fund - Global (f)	641,539	-	Monthly	6 Months
Fund of Funds				
Fund of Funds Real Estate (g)	1,832,776	444,077	N/A	N/A
Fund of Funds Real Estate (g)	1,118,755	-	Quarterly	60 Days
Private Equity				
Private Equity - Global (h)	8,134	25,000	Quarterly	30 - 90 Days
Private Equity - Venture/Buyout (h)	7,581,346	2,740,000	N/A	N/A
Total	$ 31,925,521	$ 3,787,098		

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	2017			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds				
Hedge Fund - Long/ Short (a)	$ 8,451,399	$ 215,774	Monthly, Quarterly, and Annually	5 - 60 Days
Hedge Fund - Multi Strategy (b)	5,593,580	-	Quarterly	45 - 60 Days
Hedge Fund - Distressed (c)	39,189	362,247	Monthly and Quarterly	10 - 30 Days
Hedge Fund - Distressed (c)	784,450	-	Annually	90 Days
Hedge Fund - Managed Futures (d)	2,363,485	-	Quarterly	45 Days
Hedge Fund - Debt Arbitrage (e)	34,275	-	Quarterly	30 - 60 Days
Hedge Fund - Global (f)	3,639,386	-	Monthly	5 - 30 Days
Hedge Fund - Global (f)	645,346	-	Monthly	6 Months
Fund of Funds				
Fund of Funds Real Estate (g)	1,936,337	869,262	N/A	N/A
Fund of Funds Real Estate (g)	2,183,414	-	Quarterly	60 Days
Private Equity				
Private Equity - Global (h)	301,450	235,070	Quarterly	30 - 90 Days
Private Equity - Venture/Buyout (h)	5,272,632	2,892,500	N/A	N/A
Total	$ 31,244,943	$ 4,574,853		

a) This category invests in hedge funds that invest both long and short in equity, equity related and debt securities primarily acquired in privately negotiated transactions, leveraged acquisitions, reorganizations, and other equity transactions and seek to provide the partners with long-term capital gains through such investments. The unobservable inputs used to determine the fair value of investments in this category has been estimated using the net asset value per share and are available to redeem at that value. This category consists of multiple separate funds. One of the funds, representing less than 1% of this category, is in liquidation and as such redemptions may be held. All other funds in this category are available to redeem at value.

b) This category invests in hedge funds that pursue multiple strategies to diversify risk and reduce volatility. The funds invest in various investment companies that employ long-short strategies, event-driven arbitrage strategies, distressed debt strategies, global private equity investments, and global macro-economic investment strategies. The unobservable inputs used to determine the fair value of the investments in this category has been estimated using the net asset value per share of the investments and are available to redeem at that value.

c) This category consists of multiple hedge funds which concentrate on distressed securities investing. The funds invest primarily in stocks or bonds of companies in bankruptcy or financial distress. The unobservable inputs used to determine the fair value of this investment has been estimated using the equivalent to a net asset value per share and are available to redeem at value.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

d) This category seeks to identify and take advantage of market trends and reversals. The unobservable inputs used to determine the fair value of the investments in this category has been estimated using the net asset value per share of the investments and are available to redeem at that value.

e) This category represents funds that invest directly and indirectly in debt instruments. The unobservable inputs used to determine the fair value of this investment has been estimated using the net asset value per share and are available to redeem at that value.

f) This category consists of multiple hedge funds which concentrate on global markets. The funds invest in various global private equity investments. The unobservable inputs used to determine the fair value of this investment has been estimated using the equivalent to a net asset value per share and are available to redeem at value.

g) This category invests in real estate investment trusts or similar entities, partnerships, limited liability companies, private real estate investment trusts or similar entities. This category represents three separate funds, all of which are not redeemable until 2014. The unobservable inputs used to determine the fair value of the investments in this category has been estimated using the net asset value per share of the investment.

h) This category represents funds that invest globally across all sectors of the private equity market. The unobservable inputs used to determine the fair value of this investment has been estimated using the net asset value per share and are available to redeem at that value.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2018	2017
Buildings	$ 37,594,848	$ 37,594,848
Computers and Office Equipment	673,679	577,097
Furniture and Fixtures	520,506	399,864
Leasehold Improvements	3,981,349	3,891,210
Software	2,746	2,746
Total	42,773,128	42,465,765
Less: Accumulated Depreciation	(18,658,579)	(16,861,112)
Property and Equipment, Net	$ 24,114,549	$ 25,604,653

NOTE 6 BONDS PAYABLE, INTEREST RATE SWAPS, AND LINE OF CREDIT

During 2016, the Foundation entered into a revolving line of credit agreement with Bank of America that expires on August 8, 2019 that the Foundation intends to renew annually. The amount of the line of credit is $15,100,000. As of December 31, 2018 and 2017, the Foundation had a balance of $14,031,665 and $14,650,000, respectively.

The Foundation retains interest rate swap agreements and receives variable interest based on the seven-day bond Market Association Municipal Bond Index and 67% of the three-month U.S. Dollar British Bankers' Association, London Inter-Bank Offered Rate. The Foundation pays fixed interest rates on the following terms for the years ended December 31:

Effective Date	Fixed Rate %	Term	2018 Notional Amount	2017 Notional Amount
January 26, 2011	3.558	15 Years	$ -	$ 13,485,000
July 27, 2006	4.411	20 Years	-	8,225,000
July 27,2006	3.892	20 Years	-	8,225,000
			$ -	$ 29,935,000

Based on the Foundation's analysis, the swaps do not qualify for hedge treatment and all changes in fair market value are recorded in current earnings. The estimated fair value of the interest rate swaps for the years ended December 31, 2018 and 2017 are $-0- and $4,567,469, respectively, and are reported as a liability on the statements of financial position. The swaps are categorized as Level 2 of the fair value hierarchy (see Note 4).

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 consist of the following:

	2018	2017
Subject to Expenditure for Specified Purpose or Passage of Time:		
Pledges Restricted for Time	$ -	$ 628,090
Restricted for Technology	204,720	286,143
Total	204,720	914,233
Endowments:		
Original Donor-Restricted Gift Amount	145,264	145,264
Total Net Assets with Donor Restrictions	$ 349,984	$ 1,059,497

NOTE 8 CONTRIBUTIONS PAYABLE AND GRANT COMMITMENTS

Contributions payable and grant commitments are recognized in the year authorized by the Foundation's board of trustees. Unpaid grants at December 31, 2018 and 2017 were $3,753,986 and $6,082,875 and are payable at the discretion of the board of trustees. No discount is considered necessary for the years ended December 31, 2018 and 2017.

NOTE 9 COMMITMENTS

Employee Benefit Plan

The Foundation offers its employees the opportunity to participate in a 401(k) plan. Employees must be employed for a minimum of six months and have completed 1,000 hours of service in order to participate. The Foundation may make a discretionary match to the employees' contribution for the plan year. The Foundation did not match any contributions during the years ended December 31, 2018 and 2017.

Leases

During the year ended December 31, 2014, the Foundation entered into an operating lease agreement for office space beginning July 1, 2014. The lease has a 65-month term. Future minimum lease payments are as follows:

Year Ending December 31,	Amount
2019	$ 93,213

NOTE 10 RELATED PARTY TRANSACTIONS

Effective October 2007, the Foundation started subleasing office space from Agassi Enterprises, Inc. on a month-to-month basis.

NOTE 11 LIQUIDITY AND AVAILABILITY

Operating cash flow available for use on Foundation expenditures within one year of the financial reporting date are as follows:

	2018
Cash and Cash Equivalents	$ 1,576,570
Investments - Cash and Cash Equivalents	1,410,509
Investments - Money Market Mutual Funds	10,961,592
Investments - Marketable Equity Securities	38,474,404
Investments - Fixed Income	7,055,929
Investments - Settlements Pending	309,885
Subtotal	59,788,889
Less: Restricted Amounts	(349,984)
Total	$ 59,438,905

NOTE 11 LIQUIDITY AND AVAILABILITY (CONTINUED)

To manage liquidity, the Foundation generally maintains a cash position to fund three months of general expenditures. In addition, the Foundation's investment advisors maintain a cash position with a similar structure to fund an additional three months of expenditures.

The Foundation maintains a line of credit in the amount of $15,100,000 that was used to pay off a tax-exempt bond issue. Per the Foundation's investment policy statement, the overall portfolio is weighted so that on a short-term basis, financial assets could be sold to retire the line of credit. No funds from the line of credit are used to fund Foundation's expenditures.

On an annual basis, the board of trustees approves a working cash flow for a rolling three-year period. This cash flow is revised on an annual basis based on a number of factors. This cash flow is maintained and used throughout the period to manage liquidity for both operations and investment purposes.