ANDRE AGASSI FOUNDATION FOR EDUCATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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, 2015 and 2014, and the related statements of activities 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Andre Agassi Foundation for Education as of December 31, 2015 and 2014, 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
August 31, 2016

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 1,602,778	$ 1,373,882
Pledges Receivable, Net	747,455	772,455
Related Party Receivable	70,631	76,108
Beneficial Interest in Individual Retirement Account	-	31,840
Investments	94,086,808	101,126,708
Property and Equipment, Net	28,597,510	30,248,823
Deferred Bond Issuance Costs, Net	389,727	409,378
Other Assets	8,611	8,611
Total Assets	$ 125,503,520	$ 134,047,805
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 163,295	$ 158,125
Contributions Payable and Grant Commitments	1,485,000	1,570,000
Due to Related Party	27,837	18,596
Amounts Due Beneficiaries	121,029	132,529
Interest Rate Swap Liabilities	6,282,085	6,528,208
Bonds Payable	15,040,000	15,905,000
Total Liabilities	23,119,246	24,312,458
COMMITMENTS (Note 8)		
NET ASSETS		
Unrestricted	101,132,517	107,911,752
Temporarily Restricted	1,106,493	1,678,331
Permanently Restricted	145,264	145,264
Total Net Assets	102,384,274	109,735,347
Total Liabilities and Net Assets	$ 125,503,520	$ 134,047,805

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT				
Fundraising:				
General Contributions and Pledges	$ 90,630	$ -	$ -	$ 90,630
Assets Released from Restriction	571,838	(571,838)	-	-
Total Fundraising	662,468	(571,838)	-	90,630
Investment Income:				
Interest and Dividends	2,167,165	-	-	2,167,165
Realized/Unrealized Losses	(2,112,133)	-	-	(2,112,133)
Investment Advisor and Manager Fees	(618,860)	-	-	(618,860)
Total Net Investment Income	(563,828)	-	-	(563,828)
Other Income:				
Gain on Interest Rate Swap Agreement	246,123	-	-	246,123
Other Income	7,092	-	-	7,092
Total Other Income	253,215	-	-	253,215
Total Revenue, Gains, and Other Support	351,855	(571,838)	-	(219,983)
EXPENSES				
Program:				
Contributions:				
Boys and Girls Club of Las Vegas	10,760	-	-	10,760
Andre Agassi College Preparatory Academy	3,313,797	-	-	3,313,797
Miscellaneous Contributions and Grants	78,648	-	-	78,648
Total Contributions	3,403,205	-	-	3,403,205
Bond Interest Expense	1,227,845	-	-	1,227,845
Bond Issuance Costs	19,651	-	-	19,651
Letter of Credit Fees	145,569	-	-	145,569
Other Program Expenses	1,721,047	-	-	1,721,047
Total Program	3,114,112	-	-	3,114,112
Fundraising	12,873	-	-	12,873
General and Administrative:				
Salaries and Benefits	380,000	-	-	380,000
Other Expenses	220,900	-	-	220,900
Total General and Administrative	600,900	-	-	600,900
Total Expenses	7,131,090	-	-	7,131,090
DECREASE IN NET ASSETS	(6,779,235)	(571,838)	-	(7,351,073)
Net Assets - Beginning of Year	107,911,752	1,678,331	145,264	109,735,347
NET ASSETS - END OF YEAR	$ 101,132,517	$ 1,106,493	$ 145,264	$ 102,384,274

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT				
Fundraising:				
General Contributions and Pledges	$ 313,170	$ 661,840	$ -	$ 975,010
Assets Released from Restriction	710,168	(710,168)	-	-
Total Fundraising	1,023,338	(48,328)	-	975,010
NET INVESTMENT GAIN				
Interest and Dividends	2,947,313	-	-	2,947,313
Realized/Unrealized Gains	3,249,488	-	-	3,249,488
Investment Advisor and Manager Fees	(555,326)	-	-	(555,326)
Total Net Investment Income	5,641,475	-	-	5,641,475
OTHER INCOME				
Loss on Interest Rate Swap Agreement	(1,512,457)	-	-	(1,512,457)
Other Income	11,000	-	-	11,000
Total Other Income	(1,501,457)	-	-	(1,501,457)
Total Revenue, Gains, and Other Support	5,163,356	(48,328)	-	5,115,028
EXPENSES				
Program:				
Contributions:				
Boys and Girls Club of Las Vegas	3,500	-	-	3,500
Andre Agassi College Preparatory Academy	3,039,424	-	-	3,039,424
Miscellaneous Contributions and Grants	152,785	-	-	152,785
Total Contributions	3,195,709	-	-	3,195,709
Bond Interest Expense	1,273,976	-	-	1,273,976
Bond Issuance Costs	19,651	-	-	19,651
Letter of Credit Fees	155,999	-	-	155,999
Other Program Expenses	1,732,497	-	-	1,732,497
Total Program	3,182,123	-	-	3,182,123
Fundraising	950	-	-	950
General and Administrative (Note 6):				
Salaries and Benefits	387,858	-	-	387,858
Other Expenses	295,987	-	-	295,987
Total General and Administrative	683,845	-	-	683,845
Total Expenses	7,062,627	-	-	7,062,627
DECREASE IN NET ASSETS	(1,899,271)	(48,328)	-	(1,947,599)
Net Assets - Beginning of Year	109,811,023	1,726,659	145,264	111,682,946
NET ASSETS - END OF YEAR	$ 107,911,752	$ 1,678,331	$ 145,264	$ 109,735,347

See accompanying Notes to Financial Statements.

ANDRE AGASSI FOUNDATION FOR EDUCATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	$ (7,351,073)	$ (1,947,599)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	1,699,489	1,689,512
Amortization	19,651	19,651
Change in Fair Value of Interest Rate Swap	(246,123)	1,512,457
Realized/Unrealized Gain on Investments	2,112,133	(3,249,488)
Change in Operating Assets and Liabilities:		
Pledges Receivable	25,000	-
Related Party Receivable	37,317	524,423
Other Assets	-	(8,611)
Accounts Payable and Accrued Expenses	5,170	(4,698)
Contributions Payable and Grant Commitments	(85,000)	85,000
Due to Related Party	9,241	(17,188)
Net Cash Used by Operating Activities	(3,774,195)	(1,396,541)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(32,240,019)	(128,766,440)
Proceeds from Sales of Investments	37,167,786	132,499,995
Purchases of Property and Equipment	(48,176)	(997,500)
Net Cash Provided by Investing Activities	4,879,591	2,736,055
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments to Beneficiaries	(11,500)	(11,500)
Bond Payment	(865,000)	(820,000)
Net Cash Used by Financing Activities	(876,500)	(831,500)
NET INCREASE IN CASH AND CASH EQUIVALENTS	228,896	508,014
Cash and Cash Equivalents - Beginning of Year	1,373,882	865,868
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,602,778	$ 1,373,882
SUPPLEMENTAL INFORMATION		
Cash Paid for Bond Interest Expense	$ 1,227,845	$ 1,273,976

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. The major recipient of the Foundation's contributions is the Andre Agassi College Preparatory Academy (the School or AACPA).

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:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that require passage of time or the occurrence of a specific event. The Foundation's contributions receivable are included in this net asset category until collected and the donor restrictions have been met.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that require the principal balance to be kept in perpetuity while permitting the Foundation to use or expend part or all of the income derived from the assets. These restrictions neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

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 unrestricted net assets.

Beneficial Interest in Individual Retirement Account

The Foundation is the beneficiary of an individual retirement account. Upon termination of the retirement account, the Foundation receives the assets remaining in the account. The beneficial interest is recorded at the fair value of the account's assets net of the present value of the estimated future use of the account. Changes in net assets of the account are recorded as gains or losses in the statements of activities. Net assets and changes in the net assets are recorded as temporarily restricted.

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.

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

Investments (Continued)

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.

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

Deferred Bond Issuance Cost

Bond issuance cost at December 31, 2015 and 2014 was $589,533. Costs are amortized over the term of the bonds using the effective interest method. Accumulated amortization at December 31, 2015 and 2014 was $199,806 and $180,155, respectively. Amortization expense for the years ended December 31, 2015 and 2014 was $19,651.

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.

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

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 whereby the change is recorded as a component of other comprehensive income. Based on the Foundation's analysis, the swaps do not qualify for hedge treatment and all changes in fair value are recorded in current year income.

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 unrestricted donated services, goods to auction and other gift items for the annual special event.

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, 2015 and 2014.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the services benefited.

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

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.

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.

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

Income Taxes (Continued)

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.

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 August 31, 2016, the date on which the financial statements were issued.

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, 2015 and 2014 was approximately $628,000.

Pledges receivable are estimated to be collected as follows:

Year Ending December 31,	Amount
One Year or Less	$ 1,043,064
One to Five Years	102,500
Total	1,145,564
Less: Allowance for Doubtful Accounts	(398,109)
Total	$ 747,455

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.

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.

NOTE 3 INVESTMENTS (CONTINUED)

Investments consist of the following at December 31:

	2015	2014
Cash and Cash Equivalents	$ -	$ 4,265,796
Other Investments	1,074,366	1,067,657
Money Market Mutual Funds	2,203,489	7,131,601
Marketable Equity Securities:		
Equity Mutual Funds - Short-Term Bond	8,835,621	9,176,832
Equity Mutual Funds - Global	13,741,135	19,635,130
Technology	6,866,347	6,878,491
Professional Services	4,751,298	5,392,376
Retail	4,773,819	2,968,292
Manufacturing	7,528,420	7,832,334
Other	14,894,276	11,496,943
Private Investment Funds:		
Hedge Funds	21,716,715	21,037,800
Fund of Funds - Real Estate	1,620,438	1,218,988
Real Estate - REITS	3,498,290	2,455,043
Private Equity	2,582,594	569,425
Total	$ 94,086,808	$ 101,126,708

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 purchased to fund student scholarships. These investments are valued based on activity for similar assets or liabilities, are categorized as Level 2 of the fair value hierarchy.

Investments in the private investment fund are categorized as Level 2 or Level 3 of the fair value hierarchy. These investments as of December 31, 2015 and 2014 included a wide range of hedge funds and real estate ventures. Valuation is based on net asset value per ownership share or ownership of capital provided by the investment fund managers.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

For the years ended December 31, 2015 and 2014, 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, 2015 and 2014, which are measured at fair value on a recurring basis:

		Fair Value Measurements Using		
	2015 Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Other Investments	$ 1,074,366	$ -	$ 1,074,366	$ -
Money Market Mutual Funds	2,203,489	2,203,489	-	-
Marketable Equity Securities:				
Equity Mutual Funds - Short-Term Bond	8,835,621	8,835,621	-	-
Equity Mutual Funds - Global	13,741,135	13,741,135	-	-
Technology	6,866,347	6,866,347	-	-
Professional Services	4,751,298	4,751,298	-	-
Retail	4,773,819	4,773,819	-	-
Manufacturing	7,528,420	7,528,420	-	-
Other	14,894,276	14,894,276	-	-
Private Investment Funds:				
Hedge Funds	21,716,715	-	21,716,715	-
Fund of Funds - Real Estate	1,620,438	-	-	1,620,438
Real Estate - REITS	3,498,290	-	3,498,290	-
Private Equity	2,482,594	-	437,975	2,044,619
Total Investments	93,986,808	63,594,405	26,727,346	3,665,057
Liabilities				
Interest Rate Swap Liability	6,282,085	-	6,282,085	-
Total Fair Value Assets and Liabilities	$ 100,268,893	$ 63,594,405	$ 33,009,431	$ 3,665,057

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	2014 Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Other Investments	$ 1,067,657	$ -	$ 1,067,657	$ -
Money Market Mutual Funds	7,131,601	7,131,601	-	-
Marketable Equity Securities:				
Equity Mutual Funds - Short-Term Bond	9,176,832	9,176,832	-	-
Equity Mutual Funds - Global	19,635,130	19,635,130	-	-
Technology	6,878,491	6,878,491	-	-
Professional Services	5,392,376	5,392,376	-	-
Retail	2,968,292	2,968,292	-	-
Manufacturing	7,832,334	7,832,334	-	-
Other	11,496,943	11,496,943	-	-
Private Investment Funds:				
Hedge Funds	21,037,800	-	21,037,800	-
Fund of Funds - Real Estate	1,218,988	-	-	1,218,988
Real Estate - REITS	2,455,043	-	2,455,043	-
Private Equity	469,425	-	319,425	150,000
Total Investments	96,760,912	70,511,999	24,879,925	1,368,988
Liabilities				
Interest Rate Swap Liability	6,528,208	-	6,528,208	-
Total Fair Value Assets and Liabilities	$ 103,289,120	$ 70,511,999	$ 31,408,133	$ 1,368,988

The following tables sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the years ended December 31, 2015 and 2014:

	2015: Fund of Funds Real Estate	Private Equity	Total
Balance - January 1	$ 1,218,988	$ 150,000	$ 1,368,988
Purchases	700,000	1,950,306	2,650,306
Sales	(366,687)	-	(366,687)
Unrealized Loss	(21,918)	(55,687)	(77,605)
Dividends and Interest	133,231	-	133,231
Expenses	(43,176)	-	(43,176)
Balance - December 31	$ 1,620,438	$ 2,044,619	$ 3,665,057

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	2014		
	Fund of Funds Real Estate	Private Equity	Total
Balance - January 1	$ 3,548,270	$ -	$ 3,548,270
Transfers to Level 2	(1,772,284)	-	(1,772,284)
Purchases	10,000	150,000	160,000
Sales	(720,321)	-	(720,321)
Unrealized Loss	(72,387)	-	(72,387)
Dividends and Interest	252,541	-	252,541
Expenses	(26,831)	-	(26,831)
Balance - December 31	$ 1,218,988	$ 150,000	$ 1,368,988

The transfer to Level 2 that occurred during 2014 was due to the lock-up period expiring on one fund of fund real estate investment.

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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of December 31, 2015 and 2014:

	2015			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds				
Hedge Fund - Long/ Short (a)	$ 8,351,798	$ 264,042	Monthly, Quarterly and Annually	5 - 60 Days
Hedge Fund - Multi Strategy (b)	4,873,580	-	Quarterly	45 - 60 Days
Hedge Fund - Distressed (c)	144,671	362,247	Monthly and Quarterly	10 - 30 Days
Hedge Fund - Distressed (c)	587,650	-	Annually	90 Days
Hedge Fund - Managed Futures (d)	3,962,515	-	Quarterly	45 Days
Hedge Fund - Debt Arbitrage (e)	67,444	-	Quarterly	30 - 60 Days
Hedge Fund - Global (f)	3,242,135	-	Monthly	5 - 30 Days
Hedge Fund - Global (f)	486,922	-	Monthly	6 Months
Fund of Funds				
Fund of Funds Real Estate (g)	1,620,438	2,006,031	N/A	N/A
Fund of Funds Real Estate (g)	3,498,290	-	Quarterly	60 Days
Private Equity				
Private Equity - Global (h)	437,975	235,070	Quarterly	30 - 90 Days
Private Equity - Venture/Buyout (h)	2,044,619	3,285,000	N/A	N/A
Total	$ 29,318,037	$ 6,152,390		

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	2014			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds				
Hedge Fund - Long/ Short (a)	$ 7,809,022	$ 331,911	Monthly, Quarterly and Annually	5 - 60 Days
Hedge Fund - Multi Strategy (b)	4,998,519	-	Quarterly	45 - 60 Days
Hedge Fund - Distressed (c)	211,030	362,247	Monthly and Quarterly	10 - 30 Days
Hedge Fund - Distressed (c)	500,000	-	Annually	90 Days
Hedge Fund - Managed Futures (d)	3,496,646	-	Quarterly	45 Days
Hedge Fund - Debt Arbitrage (e)	73,708	-	Quarterly	30 - 60 Days
Hedge Fund - Global (f)	3,448,876	-	Monthly	5 - 30 Days
Hedge Fund - Global (f)	500,000	-	Monthly	6 Months
Fund of Funds				
Fund of Funds Real Estate (g)	1,218,988	213,903	N/A	N/A
Fund of Funds Real Estate (g)	2,455,043	1,125,000	Quarterly	60 Days
Private Equity - Global (h)	319,424	235,070	Quarterly	30 - 90 Days
Private Equity - Venture/Buyout (h)	150,000	-	N/A	N/A
Total	$ 25,181,256	$ 2,268,131		

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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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 consist of the following at December 31:

	2015	2014
Buildings	$ 37,594,848	$ 37,594,848
Computers and Office Equipment	519,741	519,741
Furniture and Fixtures	399,864	399,864
Leasehold Improvements	3,572,778	3,524,603
Software	2,746	2,746
	42,089,977	42,041,802
Less: Accumulated Depreciation	(13,492,467)	(11,792,979)
Property and Equipment, Net	$ 28,597,510	$ 30,248,823

NOTE 6 BONDS PAYABLE AND INTEREST RATE SWAPS

Bonds payable were issued with the City of Las Vegas, Nevada as Economic Development Revenue Bonds on October 21, 2005, pursuant to a bond indenture between the City of Las Vegas and BNY Western Trust Company, as trustee. The bonds were issued for tax exempt purposes as qualified Internal Revenue Code Section 501(c)(3) nonhospital bonds. Total bonds payable for the years ended December 31, 2015 and 2014 are $15,040,000 and $15,905,000, respectively. Proceeds were used for the redemption of $13,485,000 of bonds payable issued on June 1, 2003, and to finance building construction at the School. The bonds are secured by all of the Foundation's depository and investment accounts, its property and revenue and are due October 21, 2035.

Interest on the bonds is payable monthly at variable interest rates set weekly by a bond remarketing agent, subject to a 12% maximum. The initial weekly rate was 2.6%. Remarketing fees are 0.125% per year. Letter of credit fees are 0.475% per year. Bond holders can tender bonds for remarketing. The Foundation is required to maintain unrestricted cash and investments equal to 75% of the bond commitment.

The Foundation made a loan principal payment in 2015 and 2014 in the amount of $865,000 and $820,000, respectively, which was according to the bond redemption schedule. These payments increase each year by about 5% - 6% to approximately $2,525,000 in the year 2035. This schedule can be waived or modified by the trustee. Also, the trustee and Foundation can agree to redeem bonds at any time in increments of $5,000.

Scheduled principal payments on bonds payable are as follows:

Year Ending December 31,	Scheduled Payment Amount	Contractual Payment Amount
2016	$ 910,000	$ 15,040,000
2017	965,000	-
2018	1,015,000	-
2019	1,070,000	-
2020	1,130,000	-
Thereafter	9,950,000	-
Total	$ 15,040,000	$ 15,040,000

Pursuant to the loan agreement, the Foundation was issued a letter of credit which will permit the trustee to draw funds sufficient to make principal and interest payments. The letter of credit expires September 13, 2016. If any funds are drawn on this letter of credit, the amount drawn is due on demand. The letter of credit amount available to the Foundation is $35,705,000. No funds were drawn on this letter of credit as of December 31, 2015 and 2014.

The Foundation can elect to fix the rate of interest on the bonds. Such election will subject the bonds to sinking fund requirements that provide substantially level debt service payments and modification of early redemption rights.

NOTE 6 BONDS PAYABLE AND INTEREST RATE SWAPS (CONTINUED)

Subsequent to year-end, the Board of Trustees voted to pay off the bond in full by August 31, 2016. This will close obligations the Foundation has related to the letter of credit and bond agreement in full.

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 US 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, 2015 and 2014:

Effective Date	Fixed Rate %	Term	2015 Notional Amount	2014 Notional Amount
January 26, 2011	3.558	15 Years	$ 13,485,000	$ 13,485,000
July 27, 2006	4.411	20 Years	9,162,500	9,595,000
July 27,2006	3.892	20 Years	9,162,500	9,595,000
			$ 31,810,000	$ 32,675,000

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, 2015 and 2014 are $6,282,085 and $6,528,208, 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

The temporarily restricted and permanently restricted net asset balances as of December 31, consist of the following:

	2015	2014
Temporarily Restricted:		
Pledges Restricted for Time	$ 747,455	$ 1,202,405
Restricted for Technology	359,038	475,926
Total Temporarily Restricted	1,106,493	1,678,331
Permanently Restricted:		
Permanent Endowment	145,264	145,264
Total	$ 1,251,757	$ 1,823,595

NOTE 8 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, 2015 and 2014.

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
2016	$ 93,183
2017	95,979
2018	98,858
2019	93,213
Total	$ 381,233

NOTE 9 RELATED PARTY TRANSACTIONS

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

Due to related party represents advances from Agassi Enterprises, Inc. These advances are non-interest bearing and due on demand. At December 31, 2015 and 2014, net amounts due to Agassi Enterprises, Inc. were approximately $28,000 and $19,000, respectively, and represent general and administrative expenses paid on behalf of the Foundation. In 2015, the Foundation reimbursed Agassi Enterprises, Inc. the following expenses which are included in salaries and benefits and general and administrative expenses in the accompanying statements of activities:

	2015	2014
Employee Salary and Benefits	$ 234,203	$ 223,672
Office Rent	25,580	16,109
Travel and Entertainment Expenses	10,548	9,590
Other	2,035	-
Total	$ 272,366	$ 249,371