Table of Contents

Independent Auditor’s Report ........................................................................................................................................ 1

Financial Statements:

Statement of Financial Position .................................................................................................................................. 2
Statement of Activities .................................................................................................................................................... 3
Statement of Cash Flows ................................................................................................................................................ 4

Notes to the Financial Statements ................................................................................................................................ 5-9
Independent Auditor’s Report

To the Board of Directors
Springs Preserve Foundation

We have audited the accompanying financial statements of Springs Preserve Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springs Preserve Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Las Vegas, Nevada
October 24, 2019
## SPRINGS PRESERVE FOUNDATION

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2019**

---

### ASSETS

#### Current Assets:
- Cash and cash equivalents $2,269,907
- Investments 1,815,439
- Other receivables, net 47,537
- Prepaid expenses 3,344
- Unconditional promises to give, net 177,276
- **Total current assets** 4,313,503

**Total Assets** 4,313,503

### LIABILITIES AND NET ASSETS

#### Current Liabilities:
- Accounts payable $22,730
- Deferred revenue 25,000
- **Total current liabilities** 47,730

#### Net Assets:
- Without donor restrictions 3,552,544
- With donor restrictions 713,229
- **Total net assets** 4,265,773

**Total Liabilities and Net Assets** $4,313,503

---

*See accompanying notes to the financial statements.*
Net Assets without Donor Restrictions

Revenue and other support:
- Contributions $131,941
- In-kind donations 49,335
- Investment income, net of expenses of $20,518 69,206
- Net assets released from restrictions 946,926

Total Revenue and other support: 1,197,408

Expenses:
- Program services 946,926
- Supporting services:
  - Management and general:
    - Insurance 2,787
    - Professional fees 12,251
    - Salaries and benefits 49,335
  - Total Supporting services 64,373

Total Expenses: 1,011,299

Other income (expense):
- Net realized and unrealized gain on investments 9,982

Increase in net assets without donor restrictions: 196,091

Net Assets with Donor Restrictions

- Contributions 171,967
- Net assets released from restrictions (946,926)

Decrease in net assets with donor restrictions: (774,959)

Decrease in Net Assets: (578,868)

Net Assets, Beginning of Year: 4,844,641

Net Assets, End of Year $4,265,773
# SPRINGS PRESERVE FOUNDATION
## STATEMENT OF CASH FLOWS
### FOR THE YEAR ENDED JUNE 30, 2019

See accompanying notes to the financial statements.

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in net assets</td>
</tr>
<tr>
<td>Adjustments to reconcile decrease in net assets to net cash used in operating activities:</td>
</tr>
<tr>
<td>Net realized and unrealized gain on investments</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
</tr>
<tr>
<td>(Increase) decrease in unconditional promises to give</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
</tr>
<tr>
<td>Increase (decrease) in deferred revenue</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of investments</td>
</tr>
<tr>
<td>Purchase of investments</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Change in Cash and Cash Equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

| Cash and Cash Equivalents, Beginning of Year | $2,818,379 |
| Cash and Cash Equivalents, End of Year      | $2,269,907 |
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Springs Preserve Foundation (the Foundation) is presented to assist in understanding the Foundation’s financial statements. The financial statements and notes are representations of the Foundation’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Organization

The Foundation is a non-profit organization established to further the cultural, historical, biological and educational programs of the Las Vegas Springs Preserve through fundraising efforts. The Las Vegas Springs Preserve is a 180-acre national historic site located on the Las Vegas Valley Water District’s (LVVWD) property. The Foundation’s support comes primarily from corporate and public donations.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Foundation presents a classified statement of financial position with additional qualitative information about the availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to not-for-profit organizations, principally Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958 (as amended by Accounting Standards Update (ASU) 2016-14), the Museum is required to report information regarding its financial position and changes in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other event specified by donors.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

At various times throughout the year, the Foundation maintained deposits in financial institutions which exceeded federally insured amounts. The Foundation has not experienced any losses in these accounts.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are stated net of an allowance for doubtful accounts. The allowance is based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor’s ability to pay. As of June 30, 2019, no allowance to receivables for uncollectible amounts is deemed necessary.

Revenue Recognition

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

Income Taxes

In April 2000, the Foundation received notification from the Internal Revenue Service that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements.

Management has evaluated the tax positions taken within their tax returns and does not believe there are any significant uncertain positions taken on the returns.

As of June 30, 2019, the tax years that remain subject to potential examination by taxing authorities begin with 2016.

Advertising

Advertising costs are expensed as incurred.

Allocation Methodology

The statement of activities presents expenditures by both their nature and their function. All expenses are considered direct expenses and therefore no allocation of expenditures has been performed.
NEW PRONOUNCEMENTS

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. This ASU provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. The ASU requires a retrospective application; however, if it is impracticable to apply the guidance retrospectively for some of the issues, the guidance for those issues would be applied prospectively as of the earliest date practicable. The ASU is effective for non-public companies for annual reporting periods beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact the adoption of this guidance will have on its statement of cash flows.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU introduced a comprehensive, principles-based framework for recognizing revenue, and, when effective, will supersede the requirements in FASB ASC 605, Revenue Recognition, and virtually all industry-specific revenue recognition guidance in the FASB ASC. However, the standards for the recognition of revenue from contributions by nonprofit organizations will be retained in FASB ASC 958-605, which will be retitled Not-for-Profit Entities—Revenue Recognition—Contributions when ASU 2014-09 is effective. Subsequent to the issuance of ASU 2014-09, the FASB issued a number of ASUs clarifying certain matters in ASU 2014-09. Those subsequent ASUs have the same effective dates as ASU 2014-09 (see discussion in the following paragraph).

In August 2015, the original effective dates of ASU 2014-09 were deferred by one year through the issuance of ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date. For most nonprofit organizations, ASU 2014-09 (as revised) is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early application is allowed, but no earlier than annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. Alternatively, the ASU can be applied to annual reporting periods beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the year of initial adoption. Management does not believe the effects of this standard will materially impact the Chapter’s financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Foundation has $3,419,654 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of $2,269,907 of cash and cash equivalents, $1,102,210 of investments, and $47,537 of other receivables. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. As part of the Foundation’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.
NOTE 3 – FAIR VALUE MEASUREMENTS

The Foundation measures certain financial assets and liabilities at fair value on a recurring basis, and certain non-financial assets and liabilities on a nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

**Level 1** – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

**Level 2** – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

**Level 3** – inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

Fair values of assets measured at June 30, 2019 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative investments</td>
<td>$ 289,084</td>
<td>$ 289,084</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Equities - Mutual funds</td>
<td>1,005,642</td>
<td>1,005,642</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Fixed income - Mutual funds</td>
<td>445,876</td>
<td>445,876</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Real asset funds</td>
<td>74,837</td>
<td>74,837</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,815,439</strong></td>
<td><strong>$ 1,815,439</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets with donor restrictions are restricted for the following purposes as of June 30, 2019:

Subject to expenditure for specified purpose and/or passage of time:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital projects</td>
<td>$ 713,229</td>
</tr>
</tbody>
</table>

Net assets with donor restrictions consist of investments of $713,229, as of June 30, 2019.
NOTE 5 – PROMISES TO GIVE

Unconditional promises to give are all presented as current assets since the time frame set for the donors to meet the obligations has passed. It is management’s opinion, as of June 30, 2019, that these amounts are fully collectible.

NOTE 6 – RELATED PARTIES

The Foundation is comprised of community and business leaders who volunteer their time to oversee fundraising activities. The Foundation is guided by a Board of Directors who meet approximately six times a year, most of whom have made or pledged contributions to the Foundation. The Foundation Board shares common board members with the Las Vegas Springs Preserve, an affiliate of the Foundation. The LVVWD, another affiliate of the Foundation, also shares common board members with the Las Vegas Springs Preserve, but they are different than those members shared with the Foundation.

The Foundation does not have employees. The LVVWD provides office and general managerial support to the Las Vegas Springs Preserve and the Foundation. As the Foundation’s purpose is to raise funds on behalf of the Las Vegas Springs Preserve, grants were made payable to the LVVWD, who is responsible for the Las Vegas Springs Preserve capital projects and special events. During the year ended June 30, 2019, the Foundation recognized revenue and related expense of $49,335 for contributed services received from LVVWD based on the fair value of comparable services provided by third parties.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 24, 2019, which is the date the financial statements were available to be issued.