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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, 2021, 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, 2021, 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.

Ellsworth & Stout, LLC

Las Vegas, Nevada
October 4, 2021
### ASSETS

**Current Assets:**
- Cash and cash equivalents $2,908,392
- Investments, at fair value $2,406,090
- Other receivables, net $47,639
- Prepaid expenses $3,263
- Unconditional promises to give, net $152,276

**Total Assets** $5,517,660

### LIABILITIES AND NET ASSETS

**Current Liabilities:**
- Accounts payable $14,934
- Deferred revenue $22,300
- Grant advance $874,650

**Total current liabilities** $911,884

**Net Assets:**
- Without donor restrictions $4,308,069
- With donor restrictions $297,707

**Total net assets** $4,605,776

**Total Liabilities and Net Assets** $5,517,660

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*See accompanying notes to the financial statements.*
Net Assets without Donor Restrictions
Revenue and other support:
- Contributions $193,504
- In-kind donations 49,909
- Investment income, net of expenses of $9,716 82,420
- Net assets released from restrictions 288,876
  Total revenue and other support 614,709

Expenses:
- Program services 288,876

Supporting services:
- Management and general:
  - Insurance 3,560
  - Other administrative and general 550
  - Professional fees 13,055
  - Salaries and benefits 52,370
  Total management and general 69,535

Other income (expense):
- Net realized and unrealized loss on investments 380,183
  (21,772)

Increase in net assets without donor restrictions 636,481

Net Assets with Donor Restrictions
- Contributions 44,099
- Net assets released from restrictions (288,876)
  Decrease in net assets with donor restrictions (244,777)

Increase in Net Assets 391,704

Net Assets, Beginning of Year 4,214,072

Net Assets, End of Year $4,605,776

See accompanying notes to the financial statements.
Cash Flows from Operating Activities

Increase in net assets $ 391,704

Adjustments to reconcile increase in net assets to net cash used in operating activities:
  Net realized and unrealized loss on investments (380,183)

Changes in operating assets and liabilities:
  (Increase) decrease in other receivables (29,503)
  Increase (decrease) in accounts payable 14,299
  Increase (decrease) in deferred revenue (6,300)
  Increase (decrease) in grant advance (2,125,350)

Net cash used operating activities (2,135,333)

Cash Flows from Investing Activities

Proceeds from sale of investments 171,040
  Purchase of investments (254,121)

Net cash used in investing activities (83,081)

Net Change in Cash and Cash Equivalents (2,218,414)

Cash and Cash Equivalents, Beginning of Year 5,126,806

Cash and Cash Equivalents, End of Year $ 2,908,392

See accompanying notes to the financial statements.
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 Foundation 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)

Investments

The Foundations’ investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

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, 2021, no allowance to receivables for uncollectible amounts was deemed necessary.

Revenue Recognition

In August 2015 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (Topic 606) pertaining to revenue from contracts with customers. This pronouncement was amended by ASU 2020-05 to extend the effective date of this pronouncement for non-public companies to become effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Foundation adopted Topic 606 at the beginning of the year ended June 30, 2021. The Foundation’s financial statements were not impacted by the adoption of Topic 606.

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 with 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 Foundation 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, 2021, the tax years that remain subject to potential examination by taxing authorities begin with 2017.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Foundation has $4,167,464 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of $2,011,442, of cash and cash equivalents, $2,108,383 of investments, and $47,639 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.
NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2021, assets measured at fair value consisted of the following:

<table>
<thead>
<tr>
<th>Recurring fair value measurements:</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks, options &amp; EFTs</td>
<td>$525,886</td>
<td>$525,886</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>1,880,204</td>
<td>1,880,204</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,406,090</strong></td>
<td><strong>$2,406,090</strong></td>
<td><strong>$-</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. As of June 30, net assets with donor restrictions were restricted for the following purposes:

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

- Capital projects: $297,707

As of June 30, 2021, net assets with donor restrictions consisted of investments of $297,707.

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. As of June 30, 2021, it was management’s opinion that these amounts are fully collectible.

NOTE 6 – STATE OF NEVADA

In September 2019, the Foundation received a grant advance of $2,000,000 from the State of Nevada for the design of a Science and Sustainability Center to expand exhibit space and construct a large classroom facility. Since the grant advance was not used within the agreed upon timeline, and because of COVID-19, the State of Nevada requested that the grant advance be returned. The grant advance was returned to the State of Nevada in July 2020.

NOTE 7 – 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
NOTE 7 – RELATED PARTIES (Continued)

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, 2021, the Foundation recognized revenue and related expense of $52,370 for contributed services received from LVVWD based on the fair value of comparable services provided by third parties.

NOTE 8 - CONTINGENCIES

In March 2020, the World Health Organization officially characterized a novel strain of the coronavirus (COVID-19) as a global pandemic. Management is currently responding to the existing effects and planning for the potential future effects that the COVID-19 pandemic may have on the Foundation’s operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Foundation’s future financial statements.

NOTE 9 – SUBSEQUENT EVENTS

In July 2021, the Foundation received a $2,000,000 grant from the State of Nevada to be used to design and construct an ethnobotanical garden.

Subsequent events have been evaluated through October 4, 2021, which is the date the financial statements were available to be issued.