SPRINGS PRESERVE FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2024

ELLSWORTH • STOUT

CPAs and Consultants

SPRINGS PRESERVE FOUNDATION
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Independent Auditor's Report

To the Board of Directors of
Springs Preserve Foundation

Opinion

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springs Preserve Foundation (the "Foundation") as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate where there are conditions or events, considered in aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ellsworth & Stout, LLC

Las Vegas, Nevada
October 10, 2024

SPRINGS PRESERVE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS		
Current Assets:		
Cash and cash equivalents	$	2,281,069
Investments		2,320,798
Other receivables, net		13,184
Prepaid expenses		2,487
Unconditional promises to give, net		102,276
Total Assets	$	4,719,814
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	137,225
Deferred revenue		23,500
Total current liabilities		160,725
Net Assets:		
Without donor restrictions		4,559,089
Total Liabilities and Net Assets	$	4,719,814

See accompanying notes to the financial statements.

SPRINGS PRESERVE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Assets without Donor Restrictions	
Revenue and other support:	
Grant income	$ 1,601,069
Contributions	98,182
In-kind donations	39,629
Investment income, net of expenses of $32,495	97,220
Net assets released from restrictions	406,561
	2,242,661
Expenses:	
Program services	2,023,262
Supporting services:	
Management and general:	
Insurance	2,280
Professional fees	22,998
Salaries and benefits	39,629
	64,907
	2,088,169
Other income (expense):	
Net realized and unrealized gain on investments	170,346
Increase in net assets without donor restrictions	324,838
Net Assets with Donor Restrictions	
Contributions	345,613
Net assets released from restrictions	(406,561)
Decrease in net assets with donor restrictions	(60,948)
Increase in Net Assets	263,890
Net Assets, Beginning of Year	4,295,199
Net Assets, End of Year	$ 4,559,089

See accompanying notes to the financial statements.

SPRINGS PRESERVE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities	
Increase in net assets	$ 263,890
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Net realized and unrealized gain on investments	(170,346)
Changes in operating assets and liabilities:	
(Increase) decrease in other receivables	7,437
(Increase) decrease in prepaid expenses	(207)
(Increase) decrease in unconditional promises to give	25,000
Increase (decrease) in accounts payable	91,145
Increase (decrease) in deferred revenue	(18,000)
Increase (decrease) in grant advance	(1,630,423)
Net cash used in operating activities	(1,431,504)
Cash Flows from Investing Activities	
Proceeds from sale of investments	670,541
Purchase of investments	(702,541)
Net cash used in investing activities	(32,000)
Net Change in Cash and Cash Equivalents	(1,463,504)
Cash and Cash Equivalents, Beginning of Year	3,744,573
Cash and Cash Equivalents, End of Year	$ 2,281,069

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the 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 Foundation

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 state grants, 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.

Other 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, 2024, no allowance to receivables for uncollectible amounts was deemed necessary.

Revenue Recognition

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or unconditional. A conditional contribution exists if both a) one or more barriers exist and b) the right of return to the contributor for assets transferred (or a right of release of the promisor from its obligation) depends on overcoming the stated barriers before a recipient is entitled to the assets transferred or promised. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional, contributions are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Unconditional contributions are recognized when received or when the right to receive is obtained through documentation.

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. For the year ended June 30, 2024, all exchange grant revenue was recognized at a point-in-time, when services were performed.

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.

The Foundation is no longer subject to potential income tax examinations by tax authorities for years for which the statue of limitations has expired.

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 $4,591,551 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of $2,257,569 of cash and cash equivalents, $2,320,798 of investments, and $13,184 of other receivables. Contractual or donor-imposed restrictions are not available for general expenditure. 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, 2024, assets measured at fair value consisted of the following:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Bonds	$ 327,148	$ -	$ 327,148	$ -
Mutual funds	1,158,903	1,158,903	-	-
Stocks, options and EFTs	683,153	683,153	-	-
	2,169,204	1,842,056	327,148	-
Unit investment trusts measured at net asset value ("NAV")*	151,594			
	$ 2,320,798			

*Certain investments that are measured at fair value using NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheet. On the basis of its analysis of the nature, characteristics, and risks of the investments, the Foundation has determined that it is appropriate to present them as a single class.

NOTE 4 – UNCONDITIONAL PROMISES TO GIVE

Certain Nevada businesses and individuals have made pledges in support of the Foundation. In accordance with ASC 958, *Not-for-Profit Entities*, the promises to give are recorded at their present value. 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, 2024, it was management's opinion that these amounts are fully collectible.

NOTE 5 – 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, 2024, the Foundation recognized revenue and related expense of $39,629 for contributed services received from LVVWD based on the fair value of comparable services provided by third parties.

NOTE 6 – SUBSEQUENT EVENTS

Management of the Foundation has evaluated subsequent events through October 10, 2024, which is the date the financial statements were available to be issued. No events were identified that would require disclosure.