

**LEAGUE TO SAVE LAKE TAHOE**  
**(A NONPROFIT PUBLIC BENEFIT CORPORATION)**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**  
**(WITH SUMMARIZED FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022)**

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INDEPENDENT AUDITOR'S REPORT

August 1, 2024

Board of Directors  
League to Save Lake Tahoe  
South Lake Tahoe, California

**Opinion**

I have audited the accompanying financial statements of League to Save Lake Tahoe (a nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 2023, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of League to Save Lake Tahoe as of December 31, 2023, and the changes in 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**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 whether there are conditions or events, considered in the aggregate, that raise substantial doubt about League to Save Lake Tahoe'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 Responsibilities for the Audit of the Financial Statements**

My 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 my 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, including omissions, 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.

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

- 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 League to Save Lake Tahoe'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about League to Save Lake Tahoe's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

#### **Report on Summarized Comparative Information**

I have previously audited League to Save Lake Tahoe's 2022 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated September 15, 2023. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.



Healy and Associates  
Concord, California

**LEAGUE TO SAVE LAKE TAHOE**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**  
**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	December 31	
	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 500,001	\$ 1,039,384
Short-term investments	5,123,908	5,503,412
Contributions receivable	178,000	74,500
Merchandise inventory	82,680	90,884
Prepaid expenses	87,580	74,059
<b>TOTAL CURRENT ASSETS</b>	<b>5,972,169</b>	<b>6,782,239</b>
Asset held for sale	523,845	523,845
Endowment and investment assets held by third party	1,841,547	1,599,551
Property and equipment, net	3,723,374	1,874,821
Intangible assets, net	50,800	58,050
<b>TOTAL ASSETS</b>	<b>\$ 12,111,735</b>	<b>\$ 10,838,506</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 612,484	\$ 387,669
<b>TOTAL CURRENT LIABILITIES</b>	<b>612,484</b>	<b>387,669</b>
<b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Without donor restrictions:		
General	2,446,347	2,568,545
Board designated	6,332,200	6,023,500
	8,778,547	8,592,045
With donor restrictions	2,720,704	1,858,792
<b>TOTAL NET ASSETS</b>	<b>11,499,251</b>	<b>10,450,837</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,111,735</b>	<b>\$ 10,838,506</b>

SEE NOTES TO FINANCIAL STATEMENTS

**LEAGUE TO SAVE LAKE TAHOE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Without Donor Restrictions		With Donor Restrictions	Total	
	Operating Fund	Property Fund		Year Ended December 31	
				2023	2022
<b>SUPPORT AND REVENUE</b>					
Contributions	\$ 1,793,690	\$ -	\$ 1,104,372	\$ 2,898,062	\$ 2,734,057
Special event					
Gross income	1,152,796				
Event expenses	<u>(220,039)</u>				
Net special event income	932,757	-	-	932,757	1,032,572
Investment income (loss), net	482,661	-	-	482,661	(341,428)
In-kind revenue	215,061	-	-	215,061	350,846
Other income	138,196	-	-	138,196	5,666
Education center sales					
Sales	119,813				
Cost of goods sold	<u>(46,340)</u>				
Net sales	73,473	-	-	73,473	76,032
Net assets released from restriction	<u>(1,645,079)</u>	<u>1,887,539</u>	<u>(242,460)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,990,759</u>	<u>1,887,539</u>	<u>861,912</u>	<u>4,740,210</u>	<u>3,857,745</u>
<b>EXPENSES</b>					
Program	2,462,009	28,070	-	2,490,079	2,266,026
General and administrative	278,872	10,916	-	289,788	184,658
Fundraising	696,868	-	-	696,868	528,022
In-kind	<u>215,061</u>	<u>-</u>	<u>-</u>	<u>215,061</u>	<u>350,846</u>
Total Expenses	<u>3,652,810</u>	<u>38,986</u>	<u>-</u>	<u>3,691,796</u>	<u>3,329,552</u>
Change in net assets	(1,662,051)	1,848,553	861,912	1,048,414	528,193
NET ASSETS, beginning of year	<u>6,717,224</u>	<u>1,874,821</u>	<u>1,858,792</u>	<u>10,450,837</u>	<u>9,922,644</u>
NET ASSETS, end of year	<u>\$ 5,055,173</u>	<u>\$ 3,723,374</u>	<u>\$ 2,720,704</u>	<u>\$ 11,499,251</u>	<u>\$ 10,450,837</u>

SEE NOTES TO FINANCIAL STATEMENTS

**LEAGUE TO SAVE LAKE TAHOE**

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Program	General and Administrative	Fundraising	In-Kind	Total	
					2023	2022
Salaries and benefits	\$ 1,515,171	\$ 228,340	\$ 458,701	\$ -	\$ 2,202,212	\$ 1,816,350
Special projects and events	351,907	-	220,039	-	571,946	399,047
Operating and office expenses	188,877	34,407	199,111	-	422,395	353,822
Professional services	197,646	13,020	24,403	-	235,069	219,527
In-kind expenses	-	-	-	215,061	215,061	350,846
Communication and advocacy expenses	133,312	-	-	-	133,312	187,113
Travel	36,879	3,105	14,653	-	54,637	22,990
Cost of education center sales	46,340	-	-	-	46,340	65,106
Depreciation and amortization	28,070	10,916	-	-	38,986	51,520
Education, engagement, and collaborate	38,217	-	-	-	38,217	139,368
	<u>2,536,419</u>	<u>289,788</u>	<u>916,907</u>	<u>215,061</u>	<u>3,958,175</u>	<u>3,605,689</u>
Less: expenses included with revenues on the statement of activities:						
Special event expenses	-	-	(220,039)	-	(220,039)	(211,031)
Cost of goods sold	<u>(46,340)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,340)</u>	<u>(65,106)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 2,490,079</u>	<u>\$ 289,788</u>	<u>\$ 696,868</u>	<u>\$ 215,061</u>	<u>\$ 3,691,796</u>	<u>\$ 3,329,552</u>

SEE NOTES TO FINANCIAL STATEMENTS

**LEAGUE TO SAVE LAKE TAHOE**

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Total	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$1,048,414	\$ 528,193
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	38,986	51,520
Unrealized gain/(loss) on investments	(208,697)	396,478
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES:		
Contributions receivable	(103,500)	(16,770)
Prepaid expenses	(13,521)	(10,035)
Inventory	8,204	15,659
Accounts payable and accrued expenses	(67,220)	171,557
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>702,666</u>	<u>1,136,602</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in asset held for sale	-	(523,845)
Change in investments	379,504	(395,676)
Increase in endowment assets held by others	(33,299)	(69,012)
Purchase and acquisition of fixed assets	(1,582,604)	(24,918)
Purchase and acquisition of intangible assets	(5,650)	(34,500)
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,242,049)</u>	<u>(1,047,951)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(539,383)	88,651
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,039,384</u>	<u>950,733</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 500,001</u>	<u>\$ 1,039,384</u>
SUPPLEMENTAL INFORMATION:		
Construction in progress included in payables at year end	<u>\$ 292,035</u>	

SEE NOTES TO FINANCIAL STATEMENTS



## LEAGUE TO SAVE LAKE TAHOE

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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#### NOTE A – ORGANIZATION

League to Save Lake Tahoe (League) is a nonprofit public benefit corporation. The League was formed in 1957 to preserve the environmental balance, scenic beauty, and recreational opportunities of the Lake Tahoe Basin. The League is supported primarily by contributions.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Accounting Method and Basis of Presentation

The accounting records of the League are maintained on the accrual basis of accounting. The financial statements of the League have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the League to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the League. These net assets may be used at the discretion of the League's management and the Board of Directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the League or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

##### Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates and those differences could be material.

## LEAGUE TO SAVE LAKE TAHOE

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

##### Fair Value Measurements

The League's financial instruments include cash, cash equivalents, and investments. measured using Level 1 and Level 2 (See Note C).

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The League groups assets at fair value in three levels, based on the markets in which the assets are traded, and the reliability of the assumptions used to determine fair value. These levels are:

**Level 1**— Quoted prices for identical assets in active markets.

**Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

**Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

##### Contributions Receivable

Contributions receivable (unconditional promises to give) are recorded at net realizable value consisting of the carrying amount less an allowance for doubtful accounts. The League evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. Management did not consider an allowance for doubtful accounts necessary as of December 31, 2023.

## **LEAGUE TO SAVE LAKE TAHOE**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Inventories**

Inventory is comprised of program-related merchandise held for sale and is stated at the lower of cost or market determined by the first-in first-out method. Management performs periodic assessments to determine the existence of obsolete, slow moving, and non-salable inventories, and records necessary provisions to reduce such inventories to net realizable value. Management has no allowance for inventory obsolescence.

##### **Property and equipment**

Fixed asset additions of \$5,000 or greater are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which ranges from 3 to 30 years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities.

##### **Donated Facilities Use, Supplies, Auction Items and Services (In-kind)**

The League records donated facilities use, supplies, and auction items or services at their estimated fair value on the date of receipt, if they meet the criteria for recognition. In-kind revenue and expense are \$215,061 (\$96,557 for goods and \$118,504 in services), for the year ended December 31, 2023, as reflected in the accompanying statement of activities and statement of functional expenses.

##### **Concentration of Credit**

Financial instruments that potentially subject the League to concentrations of credit risk consist principally of cash and cash equivalents and investments. From time to time, the League may maintain cash and cash equivalent accounts exceeding federally insured limits. The League's cash and cash equivalent accounts have been placed with high credit quality financial institutions. At December 31, 2023 and 2022, the League had \$3,666,095 and \$726,865 in excess of federally insured limits, respectively.

The League received approximately 21% of its revenue (not including in-kind revenue) in 2023 from their annual fundraiser. The loss of this event could have an impact on the League's future operations.

## **LEAGUE TO SAVE LAKE TAHOE**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Contributions and Revenue**

The League recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenue is recognized from Education Center sales when items are sold and/or shipped and the right of ownership has passed to the recipient.

##### **Functional Allocation of Expenses**

The costs of program activities and supporting services have been summarized on a functional basis in the statement of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the program, supporting services, and fundraising benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the League. Such expenses have been allocated among the various functions benefited based on employee time spent in the functional area.

##### **Federal and State Taxes on Income**

League to Save Lake Tahoe is exempt from income tax under IRC section 501(c)(3) and Section 23701(d) of the State of California Revenue and Taxation Code. The League is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The League has no unrelated business income, and management has analyzed tax positions taken and has concluded that there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

##### **Comparative Financial Information and Reclassifications**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**LEAGUE TO SAVE LAKE TAHOE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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**NOTE C – INVESTMENTS**

Investment and endowment activity for the year ended December 31, 2023 is as follows:

Investments, beginning of year	\$7,102,963
Realized gain	30,594
Distributions	(704,671)
Securities received	84,503
Unrealized gain	208,697
Interest and realized earnings	261,213
Fees	(17,844)
Investments, end of year	<u>\$6,965,455</u>

The composition and fair value of cash and investments held in investment accounts at December 31, 2023 is as follows:

	Fair Value Measurements Using:		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b><u>Without Restrictions</u></b>			
<b><u>Short Term Investments</u></b>			
Cash held in investment accounts	\$ 3,916,096	\$ -	\$ 3,916,096
Certificates of Deposit	-	683,404	683,404
Mutual funds	-	524,408	524,408
<b><u>Long Term Investments</u></b>			
Investments held by community foundations	<u>225,805</u>	<u>1,079,676</u>	<u>1,305,481</u>
<b>Total Without Restrictions</b>	<u>4,141,901</u>	<u>2,287,488</u>	<u>6,429,389</u>
<b><u>With Restrictions</u></b>			
<b><u>Permanently Restricted:</u></b>			
<b><u>Long Term Investments</u></b>			
Investments held by community foundations	<u>-</u>	<u>536,066</u>	<u>536,066</u>
<b>Total With Restrictions</b>	<u>-</u>	<u>536,066</u>	<u>536,066</u>
<b>Total Investments</b>	<u>\$4,141,901</u>	<u>\$2,823,554</u>	<u>\$6,965,455</u>

**LEAGUE TO SAVE LAKE TAHOE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment at December 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 323,400	\$ 323,400
Building and improvements	804,181	804,181
Furniture, fixtures, and equipment	24,094	24,094
Construction in progress	2,705,348	830,708
Less: accumulated depreciation	<u>(133,649)</u>	<u>(107,562)</u>
	<u>\$ 3,723,374</u>	<u>\$ 1,874,821</u>

Depreciation expense for the years ended December 31, 2023 and 2022 is \$26,086 and \$45,070, respectively. The League is renovating a property which will be the future home of the League.

During the year ended December 31, 2022, the League listed property for sale and moved the building, net of depreciation, to asset held for sale in the accompanying statement of financial position. At December 31, 2023, the value of the asset held for sale was \$523,845. The League entered into a contract for the sale of their building in late 2023 and closed escrow in March 2024.

**NOTE E – INTANGIBLE ASSETS**

Intangible assets at December 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Website redevelopment	\$ 64,500	\$ 64,500
Trademark	5,650	-
Less: accumulated amortization	<u>(19,350)</u>	<u>(6,450)</u>
	<u>\$ 50,800</u>	<u>\$ 58,050</u>

Amortization expense for the years ended December 31, 2023 and 2022 is \$12,900 and \$6,450, respectively.

**NOTE F – COMMITMENTS**

The League leases various office, storage spaces, and various office equipment under month-to-month agreements or short-term agreements which run through 2023. Rent and storage expense for the year ended December 31, 2023 was \$45,594. There are no future commitments with respect to these leases.

**LEAGUE TO SAVE LAKE TAHOE**

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

**NOTE G – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$500,001
Investments	5,123,908
Contributions receivable	178,000
Financial instruments held by third party	<u>1,841,547</u>
	<u>7,643,456</u>
Less amounts not available to be used within one year:	
Designated funds established by the Board	(6,332,200)
Endowment funds	(536,066)
Net assets with purpose restrictions to be met in one year	<u>(2,184,638)</u>
	<u>(9,052,904)</u>
Total financial assets available for general expenditure	<u><u>(\$1,409,448)</u></u>

A significant portion of the net assets with purpose restrictions are to be released in 2024 when the building is complete and placed in service. At that time of completion, the contributions received for the capital campaign will be released.

The League's board designated funds are \$6,332,200 at December 31, 2023. Although they do not intend to spend from this board designated endowment (other than amounts appropriated for general expenditure as part of their Board's annual budget approval and appropriation), these amounts could be made available if necessary. As part of the League's liquidity management plan, they invest cash in excess of daily requirements in investments with community foundations, CDs, and money market funds.

The League's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

**LEAGUE TO SAVE LAKE TAHOE****NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

**NOTE H – BOARD DESIGNATED NET ASSETS**

In an effort to set funds aside for potential future expenditures, the Board of Directors approved the designation of unrestricted net assets for various purposes. The purpose of the board designated funds for the year ended December 31, 2023 and 2022 is as follows:

<u>Purpose</u>	<u>12/31/23</u>	<u>12/31/22</u>
Building	\$ 2,549,000	\$ 2,353,000
Science	1,903,000	1,903,000
Policy and legal	542,200	478,500
Board quasi endowment	988,000	939,000
General operations	350,000	350,000
Total Board Designated Funds	<u>\$ 6,332,200</u>	<u>\$ 6,023,500</u>

**NOTE I – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2023 and 2022 consisted of the following:

<u>Restricted Purpose</u>	<u>Beginning Balance 12/31/22</u>	<u>Income and Contributions</u>	<u>Activity</u>	<u>Ending Balance 12/31/23</u>
Programming	\$344,480	\$364,266	(\$247,601)	\$461,145
Building construction	983,387	740,106	-	1,723,493
Permanent Endowment	530,925	-	5,141	536,066
Total	<u>\$ 1,858,792</u>	<u>\$ 1,104,372</u>	<u>(\$242,460)</u>	<u>\$2,720,704</u>

**NOTE J – EMPLOYEE BENEFITS**

Employees of the League are entitled to paid time off based on length of service and other factors. Employees gain a vested right to the accumulated paid time off. The balance of paid time off at December 31, 2023 and 2022 is \$117,661 and \$83,689, respectively, and is reflected in the accompanying statement of financial position as accounts payable and accrued expenses.

During the year ended December 31, 2016, a Simple IRA plan was instituted. The plan allows employees to participate upon hire and matches deferrals up to 3% of their salary. Employer contributions for matching is \$37,548 and \$26,179 for the years ended December 31, 2023 and 2022, respectively.



## LEAGUE TO SAVE LAKE TAHOE

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

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#### NOTE K – ENDOWMENTS

The Board of Directors has determined it holds assets which meet the definition of endowment funds under the California Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). As a result of this interpretation, the corpus of funds subject to UPMIFA is classified as with donor restrictions. The corpus represents the fair value of the original gifts as of the gift date, and all subsequent gifts where the donor has indicated the gift be retained permanently. The value of assets in excess of original gifts in donor-restricted endowment funds are classified as net assets with donor restrictions until appropriated for expenditures by the League.

In Accordance with UPMIFA, the League considers the following factors in making a determination as to the appropriation of assets for expenditures:

- The duration and preservation of the fund
- The purposes of the League and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the League
- The investment policies of the League

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The League has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023, there were no underwater endowment funds.

The composition of the endowment is as follows at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Restricted in perpetuity:		
Heller and Lane Endowments	<u>\$ 536,066</u>	<u>\$ 530,925</u>

The *Lane Endowment* was established in 2004 with a gift of \$100,000. The *Heller Endowment* was established in 2005 with a donation of \$80,000. These endowed funds were established to further the charitable purposes of the League by providing general support to meet its operating needs, as determined by the League’s Board of Directors.

The League has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations and programs supported by its endowments while seeking to maintain the purchasing power of the endowment

## **LEAGUE TO SAVE LAKE TAHOE**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

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#### **NOTE K – ENDOWMENTS (Continued)**

assets. Under this policy, the endowment assets are invested in a well-diversified (balanced) asset mix including both equity and debt securities. The intended result is to achieve a real (after inflation and expenses) total rate of return of 4%. The investment policy identifies acceptable levels of risk and rate of return objectives for the endowed funds. Currently, assets are invested in a manner that is intended to produce moderate income while assuming a low level of risk. The League expects the endowment funds, over time, to yield an average rate of return of that is consistent with market standards for its types of investment. Actual returns in any given year may vary.

The League uses an endowment spending formula to determine the maximum amount to spend from the endowment, including those endowments deemed to be underwater, each year. The League may spend up to 4% of the funds annually based on the fund's average fair market value, as averaged over the trailing 12 quarters.

To satisfy long-term rate of return objectives, the League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The League targets a diversified assets allocation plan within prudent risk constraints. The Investment Committee of the Board of Directors reviews this plan at least annually.

The League has a policy of, at their option, appropriating for distribution each year 4% of the previous 4-year rolling average balance in the endowment fund. In establishing this policy, the League considered the long-term expected return on its endowment. Accordingly, over the long term, the League expects the current spending policy to allow its endowment to grow sufficiently and maintain the purchasing power of the endowment assets. This is consistent with their objective for growing the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

#### **NOTE L – RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2023, the League received approximately \$53,000 in professional services from one of its members of the Board of Directors.

**LEAGUE TO SAVE LAKE TAHOE**  
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**NOTE M – IN-KIND DONATIONS**

For the year ended December 31, 2023, donations of goods, services, and use of facilities were received as follows:

<u>Category/Allocation</u>	<u>Valuation Technique</u>	<u>Total Received</u>
Donate Goods:		
Fundraising – benefit	FMV stated by donor	\$ 90,068
Program – goods	FMV stated by donor	6,489
Donated Services:		
Admin – Professional services	FMV stated by donor	64,182
Program – Volunteer time	3,504.6 hrs x \$15.50/hr	<u>54,322</u>
Total in-kind donations		<u>\$ 215,061</u>

**NOTE N – SUBSEQUENT EVENTS**

Subsequent to year end, the building which was listed as held for sale closed escrow in March 2024 and the sale of the building was complete.

Management has evaluated subsequent events for recognition and disclosure through August 1, 2024, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2023, that required recognition or disclosure in the financial statements.