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

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020)

HEALY AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

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H E A L Y A N D A S S O C I A T E S
C E R T I F I E D P U B L I C A C C O U N T A N T

INDEPENDENT AUDITOR'S REPORT

October 14, 2022

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, 2021, 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, 2021, 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.

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.

Report on Summarized Comparative Information

I have previously audited League to Save Lake Tahoe's 2020 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated July 6, 2021. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Healy and Associates
Concord, California

LEAGUE TO SAVE LAKE TAHOE**STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2021****(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	December 31	
	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 950,733	\$ 522,959
Short-term investments	5,107,736	4,321,704
Contributions receivable	57,730	192,732
Merchandise inventory	106,543	102,739
Prepaid expenses	64,024	67,020
TOTAL CURRENT ASSETS	6,286,766	5,207,154
Endowment and investment assets held by third party	1,927,017	1,757,965
Property and equipment, net	1,894,973	1,677,032
Intangible assets, net	30,000	-
TOTAL ASSETS	\$ 10,138,756	\$ 8,642,151
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 216,112	\$ 149,033
PPP loan payable	-	226,377
TOTAL CURRENT LIABILITIES	216,112	375,410
COMMITMENTS AND CONTINGENCIES		
<u>NET ASSETS</u>		
Without donor restrictions:		
General	2,784,134	2,581,315
Board designated	6,023,500	4,843,500
With donor restrictions	1,115,010	841,926
TOTAL NET ASSETS	9,922,644	8,266,741
TOTAL LIABILITIES AND NET ASSETS	\$ 10,138,756	\$ 8,642,151

SEE NOTES TO FINANCIAL STATEMENTS

LEAGUE TO SAVE LAKE TAHOE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Without Donor Restrictions			With Donor Restrictions	Total	
	Operating Fund	Property Fund	Board Designated Funds		Year Ended December 31	
					2021	2020
SUPPORT AND REVENUE						
Contributions	\$ 1,911,413	\$ -	\$ -	\$ 746,700	\$ 2,658,113	\$ 5,492,399
Gain on PPP loan(s) forgiveness	421,058	-	-	-	421,058	-
Education center sales						
Sales	131,949					
Cost of goods sold	(42,822)					
Net sales	89,127	-	-	-	89,127	52,387
Special event						
Gross income	945,001					
Event expenses	(197,059)	-	-	-	747,942	-
Net special event income						
Investment income, net	170,413	-	-	-	170,413	201,220
In-kind revenue	211,178	-	-	-	211,178	216,463
Other income	39,175	-	-	-	39,175	-
Allocation to designated funds	(1,443,978)	263,978	1,180,000	-	-	-
Net assets released from restriction	473,616	-	-	(473,616)	-	-
Total Support and Revenue	2,619,944	263,978	1,180,000	273,084	4,337,006	5,962,469
EXPENSES						
Program	1,776,788	42,526	-	-	1,819,314	1,875,647
General and administrative	200,771	3,511	-	-	204,282	168,412
Fundraising	446,329	-	-	-	446,329	169,260
In-kind	211,178	-	-	-	211,178	216,463
Total Expenses	2,635,066	46,037	-	-	2,681,103	2,429,782
Change in net assets	(15,122)	217,941	1,180,000	273,084	1,655,903	3,532,687
NET ASSETS, beginning of year	904,283	1,677,032	4,843,500	841,926	8,266,741	4,734,054
NET ASSETS, end of year	\$ 889,161	\$ 1,894,973	\$ 6,023,500	\$ 1,115,010	\$ 9,922,644	\$ 8,266,741

SEE NOTES TO FINANCIAL STATEMENTS

LEAGUE TO SAVE LAKE TAHOE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Program	General and Administrative	Fundraising	In-Kind	Total	
					2021	2020
Salaries and benefits	\$ 1,223,989	\$ 127,960	\$ 244,558	\$ -	\$ 1,596,507	\$ 1,477,559
Operating and meeting expenses	219,086	28,761	166,195	-	414,042	248,226
In-kind expenses	-	-	-	211,178	211,178	216,463
Education, engagement, and collaboration	42,088	-	-	-	42,088	152,676
Cost of goods sold	42,822	-	-	-	42,822	49,199
Special events	-	-	197,059	-	197,059	-
Special Projects	154,393	-	-	-	154,393	122,850
Professional services	84,772	43,371	32,469	-	160,612	117,373
Communication and advocacy expenses	44,000	-	-	-	44,000	51,668
Depreciation	42,526	3,511	-	-	46,037	27,816
Travel	8,460	679	3,107	-	12,246	15,151
	<u>1,862,136</u>	<u>204,282</u>	<u>643,388</u>	<u>211,178</u>	<u>2,920,984</u>	<u>2,478,981</u>
Less expenses included with revenues on the statement of activities:						
Special event expenses	-	-	(197,059)	-	(197,059)	-
Cost of goods sold	<u>(42,822)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,822)</u>	<u>(49,199)</u>
TOTAL EXPENSES	<u>\$ 1,819,314</u>	<u>\$ 204,282</u>	<u>\$ 446,329</u>	<u>\$ 211,178</u>	<u>\$ 2,681,103</u>	<u>\$ 2,429,782</u>

SEE NOTES TO FINANCIAL STATEMENTS

LEAGUE TO SAVE LAKE TAHOE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Total	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$1,655,903	\$3,532,687
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	46,037	27,816
Unrealized gain/(loss) on investments	(117,358)	127,398
Gain on forgiveness of PPP loans	(421,058)	-
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES:		
Contributions receivable	135,002	(192,707)
Prepaid expenses	2,996	(27,639)
Inventory	(3,804)	(18,013)
Accounts payable and accrued expenses	67,079	63,303
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,364,797	3,512,845
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in investments	(786,032)	(2,938,767)
Increase in endowment assets held by others	(51,694)	(301,299)
Purchase and acquisition of fixed assets	(263,978)	(1,117,968)
Purchase and acquisition of intangible assets	(30,000)	-
NET CASH USED BY INVESTING ACTIVITIES	(1,131,704)	(4,358,034)
CASH FLOWS FROM FINANCING ACTIVITIES:		
PPP proceeds	194,681	226,377
NET CASH PROVIDED BY FINANCING ACTIVITIES	194,681	226,377
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	427,774	(618,812)
CASH AND CASH EQUIVALENTS, beginning of year	522,959	1,141,771
CASH AND CASH EQUIVALENTS, end of year	\$ 950,733	\$ 522,959

SEE NOTES TO FINANCIAL STATEMENTS

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

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, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

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 inputs for cash and Level 2 for investments (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, 2021.

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

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 \$211,178 (\$175,325 for goods, \$34,003 in services, and \$1,850 for facilities use), for the year ended December 31, 2021, 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. The League has not experienced, nor does it anticipate, any losses with respect to such accounts. At December 31, 2021 and 2020, the League had \$347,912 and \$345,988 in excess of federally insured limits, respectively.

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

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.

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Relevant Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard establishes a comprehensive new lease accounting model. It clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. It is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The League is currently evaluating the impact of adopting this new guidance on its 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. Certain reclassifications have been made in the 2020 comparative totals to conform to the classifications used in 2021. 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, 2020, from which the summarized information was derived.

NOTE C – INVESTMENTS

Investment and endowment activity for the year ended December 31, 2021 is as follows:

Investments, beginning of year	\$6,079,669
Cash invested	800,000
Distributions	(230,259)
Securities received	214,930
Unrealized gain (loss)	117,358
Interest and realized earnings	71,697
Fees	(18,642)
Investments, end of year	<u>\$7,034,753</u>

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE C – INVESTMENTS (Continued)

The composition and fair value of cash and investments held in investment accounts at December 31, 2021 is as follows:

	Fair Value Measurements Using:		
	Level 1	Level 2	Total
<u>Without Restrictions</u>			
<u>Short Term Investments</u>			
Cash held in investment accounts	\$ 4,111,176	\$ -	\$4,111,176
Certificates of Deposit	-	497,925	497,925
Mutual funds	498,635	-	498,635
<u>Long Term Investments</u>			
Investments held by community foundations	-	1,396,092	1,396,092
Total Without Restrictions	4,609,811	1,894,017	6,503,828
<u>With Restrictions</u>			
<u>Permanently Restricted:</u>			
<u>Long Term Investments</u>			
Investments held by community foundations	-	530,925	530,925
Total With Restrictions	-	530,925	530,925
Total Investments	\$ 4,609,811	\$ 2,424,942	\$7,034,753

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment at December 31 consisted of the following:

	2021	2020
Land	\$ 530,400	\$ 530,400
Building and improvements	1,365,451	1,345,484
Furniture, fixtures, and equipment	24,094	24,094
Construction in progress	263,978	19,967
Less: accumulated depreciation	(288,950)	(242,913)
	\$ 1,894,973	\$ 1,677,032

Depreciation expense for the years ended December 31, 2021 and 2020 is \$46,037 and \$27,816, respectively. The League anticipates completing the renovation of their new building during the year ended December 31, 2022, at which point it will be placed in service and depreciation will begin.

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE E – COMMITMENTS

The League leases office and storage space through 2022 and various office equipment through 2023. Rent and storage expense for the year ended December 31, 2021 was \$31,698. Future commitments with respect to these leases are as follows:

<u>Year Ended December 31</u>	
2022	\$ 20,548
2023	\$ 1,203

NOTE F – 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	\$950,733
Investments	5,107,736
Contributions receivable	57,730
Financial instruments held by third party	1,927,017
	<u>8,043,216</u>
Less amounts not available to be used within one year:	
Designated funds established by the Board	(6,023,500)
Endowment funds	(530,925)
Net assets with purpose restrictions to be met in one year	(584,085)
	<u>(7,138,510)</u>
Total financial assets available for general expenditure	<u>\$ 904,706</u>

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.

The League's board designated funds are \$6,023,500 at December 31, 2021. 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.

LEAGUE TO SAVE LAKE TAHOE**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2021****(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)****NOTE G – CONTINGENCIES**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The League deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the League to the provisions of the grants. The League's management believes the League has complied with the terms of all grants.

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 and activity of the board designated funds for the year ended December 31, 2021 is as follows:

Purpose	12/31/20	Increase	12/31/21
Building	\$ 1,881,000	\$ -	\$ 1,881,000
Science	1,431,000	-	1,431,000
Policy and legal	478,500	-	478,500
Board quasi endowment	703,000	-	703,000
General operations	350,000	1,180,000	1,530,000
Total Board Designated Funds	<u>\$ 4,843,500</u>	<u>\$ 1,180,000</u>	<u>\$ 6,023,500</u>

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 and 2020 consisted of the following:

Restricted Purpose	Beginning Balance 12/31/20	Income and Contributions	Released from Restriction	Ending Balance 12/31/21
Specific purpose	\$ 311,001	\$ 746,700	(\$ 473,616)	\$ 584,085
Permanent Endowment	530,925	-	-	530,925
Total	<u>\$ 841,926</u>	<u>\$ 746,700</u>	<u>(\$ 473,616)</u>	<u>\$ 1,115,010</u>

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE J – 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, 2021, there were no underwater endowment funds.

The composition of the endowment is as follows at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Restricted in perpetuity:		
Heller and Lane Endowments	<u>\$530,925</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.

LEAGUE TO SAVE LAKE TAHOE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE J – ENDOWMENTS (Continued)

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 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.

LEAGUE TO SAVE LAKE TAHOE
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YEAR ENDED DECEMBER 31, 2021

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE K – PPP LOAN

In June 2020, the League received \$225,082 from the Payroll Protection Program, offered through the Small Business Administration, in response to COVID-19. In February 2021, the League received a second draw of \$193,015 from the PPP grant funding offered through the Small Business Administration.

The League received forgiveness of both small business loans in the fiscal year ended December 31, 2021, for the full amount of \$421,058, including \$2,961 in interest.

NOTE L – 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 accumulated paid time off. The balance of paid time off at December 31, 2021 and 2020 is \$56,539 and \$49,513, 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 after two years of service and matches deferrals up to 3% of their salary. Employer contributions for matching is \$24,587 and \$23,943 for the years ended December 31, 2021 and 2020, respectively.

NOTE M – SUBSEQUENT EVENTS

Subsequent to year end, the League listed their original property for sale, while renovations continue on the other property. The original property is being used for business operations while it is on the market.

Management has evaluated subsequent events for recognition and disclosure through October 14, 2022, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2021, that required recognition or disclosure in the financial statements.