

LEAGUE TO SAVE LAKE TAHOE

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

LEAGUE TO SAVE LAKE TAHOE

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of League to Save Lake Tahoe (the Organization), which comprise the statements of financial position as of December 31, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Organization 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 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 the Organization'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

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.

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 Organization'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 Organization'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.



GILBERT CPAs
Sacramento, California

May 6, 2026

LEAGUE TO SAVE LAKE TAHOE

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 640,752	\$ 479,363
Investments	3,807,043	3,484,792
Contributions receivable, current portion	204,511	555,039
Inventory	89,279	96,614
Prepaid expenses and deposits	<u>173,159</u>	<u>158,782</u>
Total current assets	4,914,744	4,774,590
NON-CURRENT ASSETS:		
Contributions receivable, net	117,873	230,394
Investments		1,064,000
Property and equipment, net	6,400,570	6,289,851
Intangible assets, net	19,350	32,250
Financing lease, right-of-use assets	11,443	15,154
Beneficial interest in assets held by community foundations	<u>2,187,657</u>	<u>1,833,531</u>
TOTAL ASSETS	<u>\$ 13,651,637</u>	<u>\$ 14,239,770</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 210,305	\$ 506,967
Accrued expenses	141,887	229,569
Financing lease liabilities, current portion	<u>3,690</u>	<u>3,537</u>
Total current liabilities	355,882	740,073
NONCURRENT LIABILITIES:		
Financing lease liabilities, net	<u>8,215</u>	<u>11,906</u>
Total liabilities	<u>364,097</u>	<u>751,979</u>
NET ASSETS:		
Without donor restrictions	12,012,294	12,346,410
With donor restrictions	<u>1,275,246</u>	<u>1,141,381</u>
Total net assets	<u>13,287,540</u>	<u>13,487,791</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,651,637</u>	<u>\$ 14,239,770</u>

The accompanying notes are an integral part of these financial statements.

LEAGUE TO SAVE LAKE TAHOE

STATEMENT OF ACTIVITIES DECEMBER 31, 2025 AND 2024

NET ASSETS WITHOUT DONOR RESTRICTIONS:	<u>2025</u>	<u>2024</u>
REVENUES, GAINS, AND SUPPORT:		
Contributions	\$ 2,327,976	\$ 2,135,455
Gross special events revenue		
Ticket sales, sponsorships, and contributions	1,096,129	1,112,835
In-kind contributions	256,143	318,000
Less cost of direct benefit to donors	<u>(270,828)</u>	<u>(243,865)</u>
Net special events revenue	1,081,444	1,186,970
Education center sales, net of cost of goods sold of \$45,945 and \$36,526	95,913	37,140
In-kind contributions	214,996	223,579
Investment returns, net of fees	303,258	374,781
Employee Retention Tax Credit income	301,872	
Other income	4,886	2,114
Net assets released from restrictions	<u>554,074</u>	<u>3,762,001</u>
Total revenues, gains, and support	<u>4,884,419</u>	<u>7,722,040</u>
EXPENSES:		
Program services		
Conservation across borders	1,327,763	938,498
Water quality and clarity, sustainable recreation, transportation and development	1,176,036	754,956
Climate resilience	<u>1,098,644</u>	<u>1,114,350</u>
Total program services	3,602,443	2,807,804
Supporting services:		
Fundraising	929,503	916,727
General and administrative	<u>686,589</u>	<u>511,352</u>
Total supporting services	<u>1,616,092</u>	<u>1,428,079</u>
Total expenses	<u>5,218,535</u>	<u>4,235,883</u>
INCOME (LOSS) FROM OPERATIONS	(334,116)	3,486,157
Gain on disposal of asset held for sale		412,655
Loss in disposal of intangible asset		<u>(5,650)</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(334,116)</u>	<u>3,893,162</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	537,163	1,747,378
Investment returns, net of fees	150,776	110,001
Net assets released from restrictions	<u>(554,074)</u>	<u>(3,762,001)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>133,865</u>	<u>(1,904,622)</u>
INCREASE (DECREASE) IN NET ASSETS	(200,251)	1,988,540
NET ASSETS, Beginning of Year	<u>13,487,791</u>	<u>11,499,251</u>
NET ASSETS, End of Year	<u>\$ 13,287,540</u>	<u>\$ 13,487,791</u>

The accompanying notes are an integral part of these financial statements.

LEAGUE TO SAVE LAKE TAHOE

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2025

	<u>Program services</u>			<u>Supporting services</u>			
	<u>Conservation across borders</u>	<u>Water quality and clarity, sustainable recreation, transportation and development</u>	<u>Climate resilience</u>	<u>Total program services</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Salaries and benefits	\$ 561,412	\$ 965,957	\$ 560,698	\$ 2,088,067	\$ 502,343	\$ 487,504	\$ 3,077,914
Professional services	305,981	69,193	55,430	430,604	125,869	113,365	669,838
Special projects and events	294,729	108,954	120,677	524,360	18,853		543,213
Depreciation and amortization	12,900		171,667	184,567	37,954	29,243	251,764
Computers and IT	41,289	489	82,173	123,951	75,386	16,724	216,061
Travel, meals, and meetings	69,607	17,892	18,391	105,890	48,992	8,483	163,365
Insurance			53,417	53,417	12,199	9,280	74,896
Taxes, fees, licenses and bank charges	4,621	3	3,728	8,352	48,487	8,960	65,799
Printing and postage	8,392	399	8,177	16,968	40,204	1,483	58,655
Supplies	6,887	1,226	5,957	14,070	14,937	7,014	36,021
Occupancy	759	244	17,405	18,408	4,279	4,533	27,220
Other expenses	21,186	11,679	924	33,789			33,789
Total	<u>\$ 1,327,763</u>	<u>\$ 1,176,036</u>	<u>\$ 1,098,644</u>	<u>\$ 3,602,443</u>	<u>\$ 929,503</u>	<u>\$ 686,589</u>	<u>\$ 5,218,535</u>

The accompanying notes are an integral part of these financial statements.

LEAGUE TO SAVE LAKE TAHOE

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2024

	<u>Program services</u>				<u>Supporting services</u>		
	<u>Conservation across borders</u>	<u>Water quality and clarity, sustainable recreation, transportation and development</u>	<u>Climate resilience</u>	<u>Total program services</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Salaries and benefits	\$ 584,390	\$ 454,193	\$ 820,000	\$ 1,858,583	\$ 467,996	\$ 311,085	\$ 2,637,664
Professional services	144,287	68,359	91,832	304,478	106,944	86,201	497,623
Special projects and events	52,806	183,074	17,542	253,422	2,924	51,363	307,709
Depreciation and amortization	13,509		43,368	56,877	11,152	7,435	75,464
Computers and IT	31,870	12,139	36,917	80,926	56,640	9,641	147,207
Travel, meals, and meetings	73,215	18,896	19,612	111,723	29,392	4,958	146,073
Insurance	9,394	6,200	12,301	27,895	7,673	3,738	39,306
Taxes, fees, licenses and bank charges	3,858		2,096	5,954	58,556	9,542	74,052
Printing and postage	4,295	684	8,133	13,112	57,462	2,231	72,805
Supplies	6,162	1,450	5,782	13,394	101,158	7,404	121,956
Occupancy	2,880		56,311	59,191	15,278	17,754	92,223
Other expenses	11,832	9,961	456	22,249	1,552		23,801
Total	<u>\$ 938,498</u>	<u>\$ 754,956</u>	<u>\$ 1,114,350</u>	<u>\$ 2,807,804</u>	<u>\$ 916,727</u>	<u>\$ 511,352</u>	<u>\$ 4,235,883</u>

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF CASH FLOWS DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (200,251)	\$ 1,988,540
Reconciliation to net cash provided (used) by operating activities:		
Depreciation and amortization	251,764	75,464
Receipt of donated investments	(92,059)	(51,151)
Net realized and unrealized gain on investments	(12,832)	(35,436)
Change in value of beneficial interests in assets held by community foundations	(354,126)	(217,789)
Net gain on disposal of asset held for sale		(412,655)
Loss on disposal of intangible asset		5,650
Changes in:		
Contributions receivable	463,049	(607,433)
Inventory	7,335	(13,934)
Prepaid expenses and deposits	(14,377)	(71,202)
Accounts payable	(296,662)	(286,490)
Accrued expenses	(87,682)	29,549
Net cash provided (used) by operating activities	<u>(335,841)</u>	<u>403,113</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(920,727)	(1,944,555)
Proceeds from sale of investments	1,767,367	2,832,063
Purchases of property and equipment	(345,872)	(2,244,646)
Proceeds from sale of asset held for sale		936,500
Net cash provided (used) by investing activities	<u>500,768</u>	<u>(420,638)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on financing lease	<u>(3,538)</u>	<u>(3,113)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	161,389	(20,638)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>479,363</u>	<u>500,001</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 640,752</u>	<u>\$ 479,363</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of right-of-use asset through financing lease obligation	\$	\$ 18,556
Property and equipment financed through accounts payable	\$	\$ 380,993

The accompanying notes are an integral part of these financial statements.

LEAGUE TO SAVE LAKE TAHOE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

1. ORGANIZATION

League to Save Lake Tahoe (Organization) is a nonprofit public benefit corporation. The Organization was formed in 1957 to preserve the environmental balance, scenic beauty, and recreational opportunities of the Lake Tahoe Basin. The Organization fulfills its mission by focusing efforts in the following primary areas:

- Water Quality and Clarity – protecting Tahoe from aquatic invasive species.
- Climate Resilience – ensuring the Tahoe Basin a global model for climate change adaptability.
- Sustainable Recreation, Transportation, and Development – enabling everyone to protect, restore, and sustainably enjoy the Lake’s exceptional water quality and clarity.
- Conservation Across Borders – protecting Tahoe from threats beyond the Basin.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Organization reports information regarding its financial position and activities according to two classes of net assets:

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 Organization. These net assets may be used at the discretion of management.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires (generally, as payments are made to fulfill the purposes of the contribution), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and cash equivalents – For financial statement purposes, the Organization considers all highly liquid financial instruments with an initial maturity of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents, unless held for long-term purposes or intended for investment to generate investment income.

The Organization minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institutions. The balance at times may exceed federally insured limits. Balances exceeded federally insured limits by \$187,402 and \$186,491 for the years ending December 31, 2025 and 2024, respectively. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

Contributions receivable – Unconditional promises to give that are expected to be collected in one year are recorded at net realizable value. Unconditional promises to give that are expected to be

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

collected in more than one year are recorded at fair value, which are measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. In subsequent years, amortization of the discounts is included in contribution revenue. The Organization 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, 2025 and 2024.

Inventory – Inventory consists of program-related merchandise held for sale and is stated at the lower of cost or market determined by the first-in first-out (FIFO) 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.

Investments – Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investment income and gains restricted by a donor are reported as increases or decreases in net assets with or without donor restrictions depending on the nature of the restrictions.

Property and equipment is stated at cost, or, if donated, at fair market value as of the date of donation. The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Depreciation is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 30 years.

Leases – The Organization determines if an arrangement is or contains a lease at inception. Lease are included in right-of use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets are also adjusted for prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization has made an accounting policy election to use the risk-free rate at the lease commencement date, in lieu of its incremental borrowing rate to discount future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. Lease terms may include options to extend or terminate to the extent they are reasonably certain to be exercised. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Beneficial interest in assets held by community foundations – In 2014, the Organization established a donor restricted endowment fund that is perpetual in nature with the El Dorado Community Foundation (EDCF). The Organization granted ownership, control and discretion to EDCF, in regard to investment strategy, and distributions from the fund to the Organization for use. The fund is held and invested by EDCF for the Organization's benefit.

In 2025, the Organization moved some of its endowment assets to the Marin Community Foundation (MCF), and closed its account with EDCF. The Organization granted variance power to MCF, which

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

allows MCF to disburse available funds to the Organization for charitable purposes related to the Organization's mission, in accordance with the policies of MCF.

In 2015, the Organization established a donor restricted endowment fund that is perpetual in nature with the Tahoe Community Foundation (TCF). The Organization granted variance power to TCF, which allows TCF to disburse available funds to the Organization for public, educational and charitable purposes, in accordance with the policies of TCF. The fund is held and invested by TCF for the Organization's benefit.

The Organization also holds an investment account with TCF that is not an endowment. These assets are without donor restriction, but the assets are held and invested by TCF.

All assets held with community foundations are reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Revenue recognition – The Organization recognizes revenue from sales of goods when the performance obligation of transferring the products is met. Education center sales are recognized at the time of purchase.

Special events revenue is comprised of an exchange element based on the direct benefits donors receive and a contribution element for the difference. Direct benefit to donors totaled \$270,828 and \$243,865 in 2025 and 2024, respectively. Special event revenue also includes exchange revenue in the form of sale of donated merchandise. Revenue from such sales totaled \$41,650 and \$45,080 in 2025 and 2024, respectively. The remainder of special event revenue totaling \$1,039,794 and \$1,141,890 in 2025 and 2024, respectively, is considered contribution revenue. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of the special event revenue immediately, unless there is a right of return if the event does not take place.

Funds received in advance of being earned are recorded as deferred revenue, which represents a contract liability. A contract asset is recorded when the Organization satisfies a performance obligation of a contract but is not yet entitled to payment. When the organization becomes entitled to payment, the contract asset is classified as a receivable, whether invoiced or not. There were no contract assets, accounts receivable, or deferred revenue related to contracts with customers at December 31, 2025, 2024 or 2023.

Grants and contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. 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 met, generally through the incurrence of qualifying expenses or through performance-related deliverables. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire, or the contributions are used for the restricted purpose. Net assets with donor restrictions also includes those whose use by the Organization is restricted by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by the actions of the Organization. Donor-restricted contributions that are also conditional, and for which the condition and restriction are released in the same period, are reported

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

as revenue without donor restrictions. There were no outstanding conditional promise to give subject to qualifying expenses at December 31, 2025. At December 31, 2024, there was one outstanding conditional promise to give, subject to qualifying expenses, totaling \$64,500.

The Organization received approximately 22% and 15% of its revenue (not including in-kind revenue) in 2025 and 2024, respectively, from its annual fundraiser. The loss of this event could have an impact on the Organization's future operations.

In-kind contributions – Contributed nonfinancial assets include professional services and donated goods and are recorded at their estimated fair value as both support and expense in the period received, which approximates the time when such goods are distributed or placed into service. Contributions of in-kind services that create or enhance nonfinancial assets or that require specialized skills; are provided by individuals possessing those skills; and would typically need to be purchased if not provided by donation, are recorded at their estimated fair value in the period received. Refer to Note 13 for additional disclosures related to in-kind contributions.

Functional allocation of expenses – The costs of program and supporting services activities are summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and benefits are allocated based on estimated time and effort. Some expenses are directly identifiable with a particular program or supporting service and are allocated accordingly. Other expenses that are not directly identifiable with any specific program, but which provide general support for the programmatic and supporting services of the Organization, are allocated among the various functions benefited based on employee time and effort in the pay period in which the expense was incurred.

Income taxes – 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.

Use of 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 assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification – Certain prior year financial statement amounts have been reclassified to conform to current year presentation.

Subsequent events have been reviewed through May 6, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2025, that require recognition or disclosure in the financial statements.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follow as of December 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 640,752	\$ 479,363
Investments	3,807,043	4,548,792
Contributions receivable	322,384	785,433
Beneficial interests in assets held by community foundations (Note 6)	<u>2,187,657</u>	<u>1,833,531</u>
Total financial assets	<u>6,957,836</u>	<u>7,647,119</u>
Less amounts unavailable for general expenditures within one year, due to:		
Board designated net assets (Note 12)	(4,033,715)	(4,212,200)
Net assets restricted by donors for time or purpose (Note 12)	<u>(1,275,246)</u>	<u>(1,141,381)</u>
	<u>(5,307,446)</u>	<u>(5,353,581)</u>
Financial assets available for general expenditure within one year	<u>\$ 1,648,875</u>	<u>\$ 2,293,538</u>

The Organization's board designated funds are \$4,032,200 and \$4,212,200 as of December 31, 2025 and 2024, respectively. This includes \$2,968,200 and \$3,148,200 designated for operating, capital, or programmatic purposes as of December 31, 2025 and 2024, respectively. The remaining \$1,064,000 as December 31, 2025 and 2024 are board designated quasi-endowment funds. Although they do not intend to spend from this board designated endowment, these amounts could be made available if necessary. Amounts designated for operating, capital, or programmatic purposes may be appropriated for use by the Board during the annual budgeting process. As part of the Organization's liquidity management plan, they invest cash in excess of daily requirements in CDs, mutual funds and money market funds.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable are due to be collected as follows:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 204,511	\$ 555,039
In one to five years	<u>117,873</u>	<u>230,394</u>
Contributions receivable, net	<u>\$ 322,384</u>	<u>\$ 785,433</u>

The Organization recognizes contributions receivable at their estimated fair value. Fair value is determined by calculating the present value of the estimated future cash flows at the time of the donation. Contribution receivable as of December 31, 2025 and 2024 are presented net of a discount of \$11,004 and \$17,731, respectively, which were calculated using a discount rate of 4.50%.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

5. INVESTMENTS

Investments consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,753,390	\$ 3,357,868
Mutual funds – fixed income	581,421	554,378
Certificates of deposit	<u>472,232</u>	<u>636,546</u>
Total	<u>\$ 3,807,043</u>	<u>\$ 4,548,792</u>

Investment returns consists of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 87,076	\$ 231,557
Net unrealized and realized gain on investments, net of fees	12,832	35,436
Net unrealized and realized gain on assets held with community foundations, net of fees	<u>354,126</u>	<u>217,789</u>
Total	<u>\$ 454,034</u>	<u>\$ 484,782</u>

6. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS

The Organization has certain investments held by the El Dorado Community Foundation (EDCF), the Tahoe Community Foundation (TCF), and the Marin Community Foundation (MCF), with the understanding that the income pertaining to these assets will be distributed according to the Organization's instruction. Although the Organization's Board of Directors recommends distributions from the funds, the EDCF, TCF and MCF maintains variance power over these funds and have final discretion. However, because the assets are for the exclusive use of supporting the charitable purposes of the Organization, the Organization includes these assets in its statements of financial position. The Organization removed all assets from EDCF during the year ended December 31, 2025, and transferred them to TCF and MCF.

As of December 31, 2025 and 2024, the Organization held \$869,054 and \$556,322, respectively, in an endowment fund in the TCF. This comprises \$412,500 and \$302,566, respectively, in original contributions restricted in perpetuity by the donors, and \$456,554 and \$253,756, respectively, in accumulated earnings. The accumulated earnings are intended to support the general operations of the Organization, however, because the TCF was granted variance power over endowment funds, they are reported within net assets with donor restrictions until distributed to the Organization.

As of December 31, 2025, the Organization held \$253,088 in an endowment fund in the MCF. This comprises \$123,566 in original contributions restricted in perpetuity by the donors, and \$129,522 in accumulated earnings. The accumulated earnings are intended to support the general operations of the Organization, however, because the MCF was granted variance power over endowment funds, they are reported within net assets with donor restrictions until distributed to the Organization.

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As of December 31, 2024, the Organization held \$415,044 in an endowment fund in the EDCF. This comprises \$415,044 in original contributions restricted in perpetuity by the donors, and \$181,544 in accumulated earnings. The accumulated earnings were intended to support the general operations of the Organization, however, because the EDCF was granted variance power over endowment funds, they were reported within net assets with donor restrictions until distributed to the Organization.

As of December 31, 2025 and 2024, the Organization also held \$1,065,515 and \$862,165, respectively in an investment account with TCF. These assets are unrestricted as to use, and TCF has not been granted variance power over these assets.

7. FAIR VALUE MEASUREMENTS

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability):

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the asset or liability.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

The Organization's assets subject to fair value are classified as follows as of December 31, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	\$ 3,807,043	\$ 3,334,811	\$ 472,232	
Beneficial interests in assets held at community foundations	<u>2,187,657</u>			<u>\$ 2,187,657</u>
	<u>\$ 5,994,700</u>	<u>\$ 3,334,811</u>	<u>\$ 472,232</u>	<u>\$ 2,187,657</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

The Organization’s assets subject to fair value are classified as follows as of December 31, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	\$ 4,548,792	\$ 3,912,246	\$ 636,546	
Beneficial interests in assets held at community foundations	<u>1,833,531</u>	<u> </u>	<u> </u>	\$ 1,833,531
	<u>\$ 6,382,323</u>	<u>\$ 3,912,246</u>	<u>\$ 636,546</u>	<u>\$ 1,833,531</u>

The Organization’s cash and cash equivalents and mutual funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The Organization’s investments in certificates of deposit are classified within Level 2 of the fair value hierarchy because they are valued using alternative pricing methods using observable information inputs, such as current interest rates. The Organizations assets held with community foundations are classified within Level 3 of the fair value hierarchy because they are valued based on the Organization’s share of the underlying assets held by the community foundations.

Changes in the level 3 assets for the years ended December 31, consist of:

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 1,833,531	\$ 1,615,742
Transfers into level 3	66,069	
Unrealized gain in fair value	<u>288,057</u>	<u>217,789</u>
Ending balance	<u>\$ 2,187,657</u>	<u>\$ 1,833,531</u>

8. PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 6,288,449	\$ 5,961,885
Land	323,400	323,400
Furniture and equipment	<u>165,010</u>	<u>145,702</u>
	6,776,859	6,430,987
Less: accumulated depreciation	<u>(376,289)</u>	<u>(141,136)</u>
	<u>\$ 6,400,570</u>	<u>\$ 6,289,851</u>

9. INTANGIBLE ASSETS

Intangible assets as of December 31 consisted of the following:

	<u>2025</u>	<u>2024</u>
Website redevelopment	\$ 64,500	\$ 64,500
Less: accumulated amortization	<u>(45,150)</u>	<u>(32,250)</u>
	<u>\$ 19,350</u>	<u>\$ 32,250</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

10. LEASE COMMITMENT

The Organization leases a copy machine with a term commencing in 2024 and expiring in 2029. This lease does not include an option to extend or early terminate the lease. This lease is included on the December 31, 2025 statement of financial position as financing right-of-use (ROU) asset and financing lease liability of \$11,443 and \$11,906, respectively. This lease is included on the December 31, 2024 statement of financial position as financing ROU asset and financing lease liability of \$15,054 and \$15,443, respectively. For the year ended December 31, 2025, amortization and interest expense totaled \$3,711 and \$591, respectively. For the year ended December 31, 2024, amortization and interest expense totaled \$3,402 and \$671, respectively. Cash paid for amounts included in the measurement of financing lease liabilities totaled \$4,128 and \$3,784 for 2025 and 2024, respectively.

The ROU asset and operating lease liability were calculated using a risk-free discount rate of 4.27%.

Maturities of the lease liability for this lease are as follows:

2026	\$	4,128
2027		4,128
2028		4,128
2029		344
Total lease payments		<u>12,728</u>
Less: present value discount		<u>(822)</u>
Total	\$	<u>11,906</u>

11. ENDOWMENTS

The Organization has three endowments established as follows:

The *Lane Endowment* was established in 2004 with an initial gift of \$100,000. These endowed funds, and subsequent donations to the endowment, were established to further the charitable purposes of the Organization by providing general support to meet its operating needs, as determined by the Organization's Board of Directors.

The *Heller Endowment* was established in 2005 with an initial gift of \$80,000. These endowed funds, and subsequent donations to the endowment, were established to further the charitable purposes of the Organization by providing general support to meet its operating needs, as determined by the Organization's Board of Directors.

A board-designated endowment with a balance as of December 31, 2025 and 2024 of \$1,065,515 and \$1,064,000, respectively, was established to provide additional operating income for the Organization. It is the policy of the Board of Directors to appropriate all earnings each year for operating purposes.

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. Earnings on original endowment gifts are allowed to be used at the discretion of the Organization, however they are classified within net assets with donor restrictions until the Community Foundation board that holds variance power over the assets approves distribution to the Organization.

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In Accordance with UPMIFA, the Organization 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 Organization 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 Organization
- The investment policies of the Organization

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 Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2025 and 2024, there were no underwater endowment funds.

As of December 31, 2025, the Organization had the following endowment net asset composition by type of fund:

	<u>Without donor restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 1,064,000		\$ 1,064,000
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 536,066	536,066
Accumulated investment gains (losses)	<u>1,515</u>	<u>586,076</u>	<u>587,591</u>
	<u>\$ 1,065,515</u>	<u>\$ 1,122,142</u>	<u>\$ 2,187,657</u>

All endowment assets are included in beneficial interest in assets held with community foundations on the statement of financial position at December 31, 2025.

As of December 31, 2024, the Organization had the following endowment net asset composition by type of fund:

	<u>Without donor restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 1,064,000		\$ 1,064,000
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 536,066	536,066
Accumulated investment gains (losses)		<u>435,300</u>	<u>435,300</u>
	<u>\$ 1,064,000</u>	<u>\$ 971,366</u>	<u>\$ 2,035,366</u>

LEAGUE TO SAVE LAKE TAHOE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

The \$536,066 perpetually restricted net assets, and \$435,300 accumulated earnings on the endowment funds, are included in beneficial interests in assets held with community foundations on the statements of financial position at December 31, 2024. The \$1,064,000 in board designated quasi endowment are included in noncurrent investments on the statements of financial position at December 31, 2024.

Investment and Spending Policies

The Organization 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 Organization expects the endowment funds, over time, to yield an average rate of return that is consistent with market standards for its types of investment. Actual returns in any given year may vary.

The Organization 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 Organization may spend up to 4% of the funds annually based on the fund's average fair market value, as averaged over the preceding 12 quarters. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization 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.

To satisfy long-term rate of return objectives, the Organization 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 Organization targets a diversified assets allocation plan within prudent risk constraints. The Investment Committee of the Board of Directors reviews this plan at least annually.

Changes in endowment net assets for the year ended December 31, 2025 are as follows:

	<u>Without donor restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,064,000	\$ 971,366	\$ 2,035,366
Distribution from board-designated endowment pursuant to spending policy	(63,994)		(63,994)
Investment returns, net	<u>65,509</u>	<u>150,776</u>	<u>216,285</u>
Endowment net assets, end of year	<u>\$ 1,065,515</u>	<u>\$ 1,122,142</u>	<u>\$ 2,187,657</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

	<u>Without donor restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,064,000	\$ 861,365	\$ 1,925,365
Contributions	76,000		
Distribution from board-designated endowment pursuant to spending policy	(63,712)		(63,712)
Investment returns, net	<u>63,712</u>	<u>110,001</u>	<u>173,713</u>
Endowment net assets, end of year	<u>\$ 1,064,000</u>	<u>\$ 971,366</u>	<u>\$ 2,035,366</u>

12. NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Environmental stewardship	\$ 58,104	\$ 18,515
Legal support	30,000	26,500
General programming	30,000	20,000
Outreach campaigns	25,000	27,500
	<u>143,104</u>	<u>92,515</u>
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	10,000	77,500
Endowments:		
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Heller and Lane Endowments, general use	<u>1,122,142</u>	<u>971,366</u>
Total net assets with donor restrictions	<u>\$ 1,275,246</u>	<u>\$ 1,141,381</u>

Certain net assets without donor restrictions are designated by the board for the following purposes as of December 31:

	<u>2025</u>	<u>2024</u>
Science	\$ 1,753,000	\$ 1,903,000
Board quasi endowment – operating support	1,065,515	1,064,000
Policy and legal	664,200	694,200
General operations	350,000	350,000
Building	<u>201,000</u>	<u>201,000</u>
Total board designated net assets	<u>\$ 4,033,715</u>	<u>\$ 4,212,200</u>

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13. IN-KIND CONTRIBUTIONS

The Organization received the following in-kind contributions for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Professional services	\$ 107,955	\$ 59,152
Skilled volunteer labor	69,193	68,357
Fundraising event supplies	22,107	92,503
Program or office supplies	<u>15,741</u>	<u>3,567</u>
	214,996	223,579
Donated auction items	<u>256,143</u>	<u>318,000</u>
	<u>\$ 471,139</u>	<u>\$ 541,579</u>

The Organization receives donated advertising, legal services, other professional services, volunteer labor, and supplies and food for fundraising events. All such donated items were valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. The Organization also receives donated auction items, which were valued at the sale price received during the auction on the day of the event.

The Organization's policy related to in-kind contributions is to utilize the assets given to carry out their mission, except for donated auction items which are monetized. All in-kind contributions received by the Organization for the year ended December 31, 2025 and 2024 were considered without donor restrictions and able to be used by the Organization as determined by the Board and management.

14. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025 and 2024, the Organization received approximately \$41,300 and \$42,200 in in-kind professional services from one of its members of the Board of Directors. During 2024 the Organization recognized contribution revenue of \$500,000 from one of its board members, of which \$250,000 was included in contributions receivable at December 31, 2024.

15. RETIREMENT PLAN

The Organization sponsors a Simple IRA plan for its eligible employees. The Organization matches employee salary deferrals to the Plan up to 3%, subject to a maximum limit allowable per year under the Internal Revenue Code. Contributions to the plan were \$55,038 and \$47,064 for the years ended December 31, 2025 and 2024, respectively.