San Joaquin River Parkway and Conservation Trust, Inc.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
San Joaquin River Parkway and
Conservation Trust, Inc.

We have audited the accompanying financial statements of San Joaquin River Parkway and Conservation Trust, Inc., (the "Trust"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

As disclosed in Note 7 to the financial statements, the Trust acquired Sand Gravel Rights (the "Rights") during 2003 in the amount of $2,990,222. Generally accepted accounting principles require that such Rights be stated at the lower of their cost or impaired (fair) value. The Trust believes that the Rights are not impaired and that their carrying value is equal to, or less than, their actual current fair value. An asset impairment exists when the expected future cash flows from an asset are estimated to be less than the carrying value of that asset. However, since their acquisition, the Trust has not obtained a detailed geological assessment or current appraisal of their actual fair value. In conducting our audit, we were unable to obtain evidence that corroborated management's conclusion that the Rights are stated at the lesser of their cost or fair value.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the San Joaquin River Parkway and Conservation Trust, Inc. as of December 31, 2019 and 2018, 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.

Price Paige & Company

Clovis, California
April 15, 2020

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets:		
Cash in bank	$ 189,115	$ 140,919
Investments	3,125,405	2,758,802
Unconditional promises to give, due within one year, net	8,500	-
Grants and other receivable	801,608	157,853
Bequest receivable	-	142,000
Inventory	3,627	4,723
Prepaid expenses	20,634	11,923
Total current assets	4,148,889	3,216,220
Property and equipment, net	5,459,793	4,874,082
Other assets	35,483	34,580
Sand and gravel rights	2,990,222	2,990,222
Total other assets	8,485,498	7,898,884
Total assets	$ 12,634,387	$ 11,115,104
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 188,744	$ 25,632
Accrued expenses	21,022	18,593
Line of credit	50,385	25,000
Notes payable, due within one year	29,920	28,456
Total current liabilities	290,071	97,681
Notes payable	335,968	361,401
Deferred revenue	54,272	33,443
Total liabilities	680,311	492,525
Net assets:		
Without donor restrictions	9,083,974	7,873,679
With donor restrictions	2,870,102	2,748,900
Total net assets	11,954,076	10,622,579
Total liabilities and net assets	$ 12,634,387	$ 11,115,104

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and support:			
Memberships	$ 231,287	$ -	$ 231,287
Grant income	1,560,620	16,965	1,577,585
Special events, net of expenses of $31,433	17,622	33,750	51,372
Contributions and donations	191,778	193,411	385,189
Program services	329,309	-	329,309
Educational scholarships	56,175	-	56,175
Investment income (loss), net	585,969	40,523	626,492
Merchandise sales, net	21,213	-	21,213
Park operations	85,402	-	85,402
Gain (loss) on sale of assets	(2,051)	-	(2,051)
Other	94,316	-	94,316
Total revenues and support before net assets released from restrictions	3,171,640	284,649	3,456,289
Net assets released from restrictions	163,447	(163,447)	-
Total revenues and support after reclassification of net assets released from restrictions	3,335,087	121,202	3,456,289
Costs and expenses:			
Program services	1,683,905	-	1,683,905
General and administrative	199,824	-	199,824
Fundraising	241,063	-	241,063
Total costs and expenses	2,124,792	-	2,124,792
Change in net assets	1,210,295	121,202	1,331,497
Net assets, beginning of year	7,873,679	2,748,900	10,622,579
Net assets, end of year	$ 9,083,974	$ 2,870,102	$ 11,954,076

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and support:			
Memberships	$ 253,073	$ -	$ 253,073
Grant income	724,308	-	724,308
Special events, net of expenses of $46,090	39,884	-	39,884
Contributions and donations	1,162,869	286,724	1,449,593
Program services	326,359	-	326,359
Educational scholarships	56,652	-	56,652
Investment income (loss), net	(164,974)	-	(164,974)
Merchandise sales, net	20,361	-	20,361
Park operations	72,639	-	72,639
Gain on sale of assets	547		547
Other	37,417	-	37,417
Total revenues and support before net assets released from restrictions	2,529,135	286,724	2,815,859
Net assets released from restrictions	183,349	(183,349)	-
Total revenues and support after reclassification of net assets released from restrictions	2,712,484	103,375	2,815,859
Costs and expenses:			
Program services	1,395,327	-	1,395,327
General and administrative	198,614	-	198,614
Fundraising	175,655	-	175,655
Total costs and expenses	1,769,596	-	1,769,596
Change in net assets	942,888	103,375	1,046,263
Net assets, beginning of year	6,930,791	2,645,525	9,576,316
Net assets, end of year	$ 7,873,679	$ 2,748,900	$ 10,622,579

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Personnel costs:				
Salaries and wages	$ 499,429	$ 105,938	$ 139,231	$ 744,598
Payroll taxes	48,806	9,134	12,460	70,400
Employee benefits	109,502	14,648	28,438	152,588
Total personnel costs	657,737	129,720	180,129	967,586
Other costs and expenses:				
Accounting and legal	2,136	18,212	178	20,526
Advertising	5,523	305	-	5,828
Bank and credit card fees	15,511	968	5,525	22,004
Contract labor	407,541	-	-	407,541
Dues and subscriptions	7,636	305	175	8,116
Equipment rental	44,347	10,186	-	54,533
Insurance	26,468	14,339	1,694	42,501
Interest	20,163	2,704	-	22,867
Investment fees	2,706	867	-	3,573
Lobbying	-	-	-	-
Outside services	4,554	-	-	4,554
Miscellaneous	1,856	-	-	1,856
Postage and delivery	1,299	905	13,290	15,494
Printing and copying	2,476	1,061	26,355	29,892
Professional fees	97,365	15,828	8,851	122,044
Property taxes	1,610	-	-	1,610
Rent	8,690	-	-	8,690
Repairs and maintenance	73,533	925	-	74,458
Security	13,347	-	-	13,347
Supplies	82,937	1,427	3,645	88,009
Taxes and licenses	-	950	-	950
Travel and conferences	13,449	34	47	13,530
Transportation for programs	17,400	-	-	17,400
Utilities	42,645	-	966	43,611
Total other costs and expenses	893,192	69,016	60,726	1,022,934
Subtotal	1,550,929	198,736	240,855	1,990,520
Depreciation	132,976	1,088	208	134,272
Total costs and expenses	$ 1,683,905	$ 199,824	$ 241,063	$ 2,124,792
Percentage results	79%	10%	11%	100%

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	General and Administrative	Fundraising	Total
Personnel costs:				
Salaries and wages	$ 477,800	$ 111,225	$ 95,681	$ 684,706
Payroll taxes	50,273	9,489	7,924	67,686
Employee benefits	116,993	11,095	18,298	146,386
Total personnel costs	645,066	131,809	121,903	898,778
Other costs and expenses:				
Accounting and legal	7,760	16,083	-	23,843
Advertising	1,809	240	-	2,049
Bank and credit card fees	13,007	772	6,474	20,253
Contract labor	125,228	-	-	125,228
Dues and subscriptions	7,028	295	160	7,483
Equipment rental	24,588	9,896	-	34,484
Insurance	29,718	16,489	753	46,960
Interest	21,055	1,208	-	22,263
Investment fees	1,638	894	-	2,532
Lobbying	62,000	-	-	62,000
Outside services	3,842	-	-	3,842
Miscellaneous	1,547	2,427	380	4,354
Postage and delivery	940	836	11,575	13,351
Printing and copying	1,830	663	22,198	24,691
Professional fees	103,538	12,552	9,770	125,860
Property taxes	1,603	-	-	1,603
Rent	8,445	250	3	8,698
Repairs and maintenance	104,212	697	107	105,016
Security	6,593	999	-	7,592
Supplies	61,635	1,266	1,051	63,952
Taxes and licenses	800	150	-	950
Travel and conferences	13,485	-	42	13,527
Transportation for programs	17,400	-	-	17,400
Utilities	16,795	-	966	17,761
Staff development	3,946	-	100	4,046
Total other costs and expenses	640,442	65,717	53,579	759,738
Subtotal	1,285,508	197,526	175,482	1,658,516
Depreciation	109,819	1,088	173	111,080
Total costs and expenses	$ 1,395,327	$ 198,614	$ 175,655	$ 1,769,596
Percentage results	79%	11%	10%	100%

See Independent Auditor’s Report and Notes to the Financial Statements.

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 1,331,497	$ 1,046,263
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	134,272	111,080
Investment (gains) losses	(541,966)	241,715
Donated assets	(10,500)	-
Loss on disposition of assets	2,051	-
Changes in operating assets and liabilities:		
Unconditional promises to give, bequests and grants receivable	(510,255)	(137,762)
Inventory	1,096	(171)
Prepaid and other assets	(9,614)	(9,997)
Accounts payable and accrued expenses	165,541	(27,940)
Deferred revenue	20,829	28,326
Net cash provided by operating activities	582,951	1,251,514
Cash flows from investing activities:		
Purchase of property and equipment	(711,534)	(1,163,101)
Purchase of marketable securities	(659,451)	(266,718)
Proceeds from sale of marketable securities	834,814	120,795
Net cash (used in) investing activities	(536,171)	(1,309,024)
Cash flows from financing activities:		
Principal payments on notes payable	(23,969)	(27,015)
Principal payments on line-of-credit	(119,615)	(69,994)
Advances on line-of-credit	145,000	75,000
Net cash provided by (used in) financing activities	1,416	(22,009)
Net increase (decrease) in cash and cash equivalents	48,196	(79,519)
Cash in bank, beginning of year	140,919	220,438
Cash in bank, end of year	$ 189,115	$ 140,919
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ 22,867	$ 22,263
Taxes paid	$ 800	$ 800

NOTE 1 – NATURE OF ACTIVITIES

Organization and Operations

The San Joaquin River Parkway and Conservation Trust (the "Trust") is a California 501(c)(3) non-profit corporation formed in 1988 to preserve and restore San Joaquin River lands having ecological, scenic or historic significance, to educate the public on the need for stewardship, to research issues affecting the river, and to promote educational, recreational and agricultural uses consistent with the protection of the river's resources. The Trust carries out its mission through land acquisition, education and recreation programs, and projects designed to enhance wildlife habitat or public access. The Trust's primary sources of revenue are contributions from the general public, program services, federal, state and private foundation grants, and investment earnings.

In connection with the acquisition of certain Sand and Gravel Rights (see Note 7), the Trust also received at nominal cost, options to acquire up to three remnant parcels of real estate contiguous with property acquired by the San Joaquin River Conservancy (the "Conservancy"). In 2008, the Trust elected to exercise its options. The Trust formed the SJ Running River, Limited Liability Company (the "LLC") to hold title to these remnant parcels to protect itself from any claims related to them. The ultimate use and disposition of the parcels has yet to be determined by the Trust. In 2009, the LLC received title to one of the three remnant parcels.

These financial statements include the account balances and financial activities of the Trust and its wholly owned LLC. All significant inter-entity accounts and balances have been eliminated.

The Trust is managed by its Board of Directors who are elected in accordance with its by-laws. While the Trust solicits "members" on an annual basis, it is not managed by such members.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

New Accounting Pronouncement

The Organization has adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, as amended as management believes the standard improves the usefulness and understandability of the Trust's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Trust recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets

The financial statements of the Trust have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Trust 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 Trust. These net assets may be used at the discretion of the Trust's management and the Board of Directors.
>
> Certain net assets without donor restrictions have been specifically designated by the Board of Directors to be separately maintained for various projects and operating funds. Such funds are identified as Board Designated Net Assets.
>
> 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 Trust or by the passage of time. Other donor restrictions are perpetual in nature, where by 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of various demand and interest-bearing accounts on deposit with insured financial and brokerage institutions. The Trust considers all investments with an original maturity of three months or less to be cash equivalents.

Investments

All of the Trust's Investments are available for sale. Investments are stated at their estimated fair value based on quoted closing prices. Investment income, including unrealized gains and losses, interest, dividends and related items are recognized in the Statement of Activities as they are incurred.

Fair Value of Certain Financial Instruments

The Trust considers its cash and cash equivalents, grants receivable, prepaid expenses, accounts payable and accrued expenses to be short-term in nature, and therefore their fair values approximate their carrying values.

Allowance for Doubtful Accounts

The Trust provides an allowance for doubtful accounts based upon management's review and analysis of specific grants, pledges or accounts receivable and considers the age of past due amounts. Receivables are written-off when deemed uncollectible. Recoveries, if any, of receivables previously written-off are recorded as income when received.

At December 31, 2019 and 2018, based on its analysis and review, management believes that all receivables due will be collected in full and thus determined that an Allowance for Doubtful Accounts is not required at those dates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory consists of merchandise held for sale at the Trust's River Store. Inventory is stated at the lower of cost (determined on the first-in, first-out basis) or market. Revenues from gift merchandise sold at the Trust's River Center store are recorded in the Statement of Activities, net of their costs.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the asset's estimated fair value on the date of donation. All assets acquired by the Trust whose initial value or cost exceeds $1,000 are capitalized and depreciated over their estimated useful lives. Routine repairs and maintenance, including planned major maintenance activities are expensed when incurred. Depreciation is recorded using the straight-line method over estimated useful lives of 3 to 40 years.

Revenue and Revenue Recognition

The Trust recognizes revenue from park operations at the time of admission. Membership dues, which are nonrefundable, are considered to be contributions since there is no significant exchange element with the amount provided and benefit received (other than very nominal discounts on future program events). As a result, the Trust has recognized membership dues as contributions.

The Trust recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a 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 met.

Contributions and Bequests

Contributions are generally recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Enforceable Unconditional Promises to Give in future periods, principally bequests or pledges, are recorded as they are made, at their estimated net present, realizable value and reported as net assets with donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions of land, land interests and conservation easements and donations of other property are recorded when the donor makes an unconditional and enforceable promise to give and are considered unrestricted unless received with donor imposed stipulations that limit their use. Such contributions are stated at the fair market value at the date of donation, generally based on independent appraisals obtained by the donor. Conservation easements are recorded as Program Service Expenses when acquired as, in the opinion of management, they represent contributions by the Trust to the Community.

Government Grants and Contracts

A portion of the Trust's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Trust has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

The Trust's costs incurred under its government grants and contracts may be subject to audit by the granting agency. Management believes that future disallowance of costs, if any, would not be material to the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated In-Kind Gifts and Services

Donated in-kind gifts are recognized as contributions if they have ascertainable fair values and are able to be realized in cash or other liquid assets. During the years ended December 31, 2019 and 2018, the Trust received and recognized approximately $2,000, and $8,293, respectively, of donated materials and supplies.

Donated services are recognized as contributions if they 1) significantly enhance non-financial assets or 2) involve a professional service that would otherwise have been purchased and whose values can be objectively measured. During the years ended December 31, 2019 and 2018, the Trust received and recognized approximately $3,700 and $1,400, respectively, of donated professional services.

Advertising

The Trust expenses all advertising costs as incurred. Total advertising expense for the years ended December 31, 2019 and 2018 was $7,494 and $6,685, respectively.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications had no impact on the Trust's net assets at December 31, 2018.

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 will differ from those estimates.

Functional Classification of Expenses

The costs of providing the Trust's various charitable and program services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, direct and indirect expenses are allocated by management to program services and other activities based on their specific identification or the personnel utilized in the function.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages	Time study
Payroll taxes	Time study
Employee benefits	Time study
Bank and credit card fees	% of related revenue

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exempt Status

The Trust has qualified as a non-profit organization and has been granted tax-exempt status pursuant to Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d) and is exempt from Federal and State of California income taxes.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Trust's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Endowment Investment and Spending Policies

The Trust has adopted investment and spending polices for endowment assets (net assets with donor restrictions) that attempt to provide a predictable stream of funding to programs supported by endowments while seeking to maintain the purchasing power of the endowments' assets. The Trust's spending and investment policies work together to achieve this objective. The investment policy establishes the projected return objective through diversification of asset classes. The portfolio is designed to generate real rates of return in excess of inflation with regard to an appropriate balance of risk and reward for long-term capital growth.

To satisfy its long-term rate-of-return objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The Trust targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributable from the Trust's various endowed funds for the operations and maintenance of trails, facilities and properties in addition to other donor restrictions. At December 31, 2019 and 2018, the general spending policy seeks to distribute an amount no greater than 90% of the earnings from the prior year. Distribution of the earnings should not decrease the total market value of the endowment fund below 110% of the donor-restricted original contribution balance. The Trust's spending policy allows for the designees of the Board of Directors to adjust the spending plan according to market conditions. Accordingly, over the long term, the Trust expects its current spending policy to allow its endowment assets to grow at an average rate of approximately 5.00% annually. At such time that the fund exceeds $500,000, the Trust can elect to change the distribution calculation to a Market-Value Oriented methodology of 5% of the fund based on a three-year rolling average of the market value of the fund. This is consistent with the Trust's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment returns.

NOTE 3 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure within one year of the Statement of Financial Position date as of December 31, 2019, consist of the following:

Cash in bank	$ 189,115
Grants and other receivables	801,608
Investments	3,125,405
Total financial assets	4,116,128
Less amounts not available to be used within one year:	
Board-designated with liquidity horizons greater than one year	(495,660)
Donor-restricted with liquidity horizons greater than one year	(2,765,064)
Financial assets not available to be used within one year	(3,260,724)
Financial assets available to meet general expenditures within one year	$ 855,404

The Trust has certain board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. The Trust has other assets limited to use for donor-restricted purposes. Additionally, certain other board-designated assets are designated for future use including a legal defense fund and stewardship projects. However, the board-designated amounts could be made available, if necessary.

As part of the Trust's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. Funds that have been Board designated may be undersigned by the Board for alternative use to meet any unexpected liquidity needs.

Additionally, the Trust maintains a $100,000 line of credit, as discussed in more detail in Note 9. As of December 31, 2019, approximately $50,000 remained available on the Trust's line of credit.

NOTE 4 – INVESTMENTS

Investment securities consist of the following at December 31:

	2019	2018
Certificate of deposit	$ 7,028	$ 7,014
US Equities	2,016,434	1,507,840
International Equities	558,115	483,637
Investment Pool CVCF	61,758	54,793
Fixed income	395,863	636,428
Bond mutual funds	86,207	69,090
Total investments	$ 3,125,405	$ 2,758,802

NOTE 4 – INVESTMENTS (Continued)

The Trust's investment activities consist of the following at December 31:

	2019	2018
Interest and dividends	$ 82,114	$ 74,813
Realized and unrealized gain (loss)	544,378	(239,787)
Total investment income (loss), net	$ 626,492	$ (164,974)

NOTE 5 – GRANTS RECEIVABLE

Grants Receivable consists of amounts billed to Grantors under contractual agreements for program related services. Grant contracts are typically billed in arrears as services are performed. Grants Receivable at December 31, 2019 and 2018 totaled $801,608 and $157,853, respectively, and are due from various grantors. The Trust did not incur any Bad Debt expense for the years ended December 31, 2019 and 2018.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31:

	2019	2018
Land	$ 1,193,049	$ 1,193,049
Building and improvements	5,554,056	4,876,266
Vehicles	78,662	87,883
Equipment	54,965	55,434
Furniture and fixtures	230,351	208,901
	7,111,083	6,421,533
Accumulated depreciation	(1,651,290)	(1,547,451)
Property and equipment, net	$ 5,459,793	$ 4,874,082

Depreciation expense for the years ended December 31, 2019 and 2018 was $134,272 and $111,080, respectively.

NOTE 7 – SAND AND GRAVEL RIGHTS

The Trust acquired certain Sand and Gravel Rights (the "Rights") on real property owned by the Conservancy. The Rights were purchased in 2003 in connection with the Conservancy's acquisition of the fee simple title to the Spano River Ranch. Funds to purchase the Rights were obtained from a contribution to the Trust by the Packard Foundation. Since the acquisition, the Trust has not sought, or obtained, a detailed geological assessment of the actual extent of the sand and gravel material that comprise the Rights. Such an assessment is a condition precedent to completing an appraisal of the current fair value of the Rights.

NOTE 7 – SAND AND GRAVEL RIGHTS (Continued)

The Trust expects that the Rights will ultimately be sold to an appropriate state or federal agency, which would utilize the sand and gravel in its various San Joaquin River restoration activities. In 2008, the Trust made an offer to the Conservancy to sell the Rights. Meetings and communications between representatives of the Trust, the Conservancy, and San Joaquin River Restoration Program (a Federal Agency) have taken place and an appraisal is ultimately planned to further these discussions. Generally accepted accounting principles anticipates that management will annually review and evaluate the Trust's assets for impairment. An asset impairment exists when expected future cash flows from the asset are estimated to be less than the carrying value of that asset. When an asset impairment is indicated, an adjustment to the carrying value is made to reflect the difference between the carrying value and the fair value of the asset. Due to the unavailability of a detailed geological assessment and current appraisal of the fair value of the Rights, management is unable to conduct an impairment analysis of the Rights. Management of the Trust believes that the carrying value of the Rights are equal to or less than their actual fair value at December 31, 2019 and 2018, but has no objective basis for this conclusion since the appropriate geological analysis and appraisal have not been completed. Management expects that the detailed geological assessment and its appraisal will be completed at some future date. Management has not yet determined whether the Trust will advance the necessary funds to complete the geological assessment and appraisal and then seek reimbursement from the purchasing agency at the time the Rights are sold.

The eventual outcome of this matter cannot be determined at this time. At December 31, 2019 and 2018, Sand and Gravel Rights totaled $2,990,222 for each year.

NOTE 8 – NOTE PAYABLE AND BANK LINE-OF-CREDIT

California Bank and Trust

The Trust has a $500,000 permanent loan with California Bank and Trust payable over 15 years with approximate monthly principal and interest payments of $4,006, final payment is due July 2029. The total balance due on the permanent loan at December 31, 2019 and 2018 was $361,672 and $389,857, respectively. Interest on the line accrues at a fixed rate of 5.133% annually. The note is secured by certain of the Trust's property and land. Total interest expense on the permanent loan was $19,885 and $21,055 during the years ended December 31, 2019 and 2018, respectively.

Maturities of the loan payable for the next five years are as follows:

Year Ending December 31	Interest	Principal	Total
2020	$ 18,151	$ 29,920	$ 48,071
2021	16,504	31,567	48,071
2022	14,821	33,250	48,071
2023	13,049	35,022	48,071
2024	11,216	36,855	48,071
Thereafter	24,453	195,058	219,511
Totals	$ 98,194	$ 361,672	$ 459,866

NOTE 8 – NOTE PAYABLE AND BANK LINE-OF-CREDIT (Continued)

In addition to the permanent loan, the Trust entered into a working capital line-of-credit agreement with California Bank & Trust in the amount of $100,000 which expires on October 1, 2020. There was an outstanding balance of $50,385 on the line at December 31, 2019. There was an outstanding balance of $25,000 on the line at December 31, 2018. The line is unsecured and accrues variable interest at an initial rate of 4.50% per annum. During the year ended December 31, 2019, the Trust incurred $2,276 of interest related to this line-of-credit. During the year ended December 31, 2018, there was $601 of interest incurred related to this line-of-credit.

In October 2019, the Trust entered into a new loan agreement with AFCO for pollution liability insurance. The original note was for $7,844 with monthly payments of $872. This is a short-term loan and will be paid in full June 2020. As of December 31, 2019, the outstanding loan amount was $4,216.

NOTE 9 – CONCENTRATION OF CREDIT RISK

As of December 31, 2019, the Federal Deposit Insurance Corporation (FDIC) insured balances of a depositor, per financial institution, up to $250,000, and the Securities Investor Protection Corporation (SIPC) insured balances of a depositor, per financial institution, up to $500,000. As of December 31, 2019, approximately $106,000 of the Trust's cash balances were in excess of the amount guaranteed by the FDIC and as of December 31, 2018, the Trust's cash balances were fully guaranteed by the FDIC. As of December 31, 2019 and 2018, approximately $2,419,000 and $2,068,000 of the trust's investments were in excess of the amount guaranteed by the SIPC, respectively.

NOTE 10 – RETIREMENT PLAN

The Trust provides for a 403(b) plan (the "Plan") covering eligible employees who meet certain minimum service requirements. The Plan is administered by All Valley Administrators. The Plan provides for the Trust to make discretionary contributions to deferring employees. During the year ended December 31, 2013, the Trust provided a 2.5% increase in base salary to employees that qualify under the Plan allowing them to contribute to the 403(b). The employees had the ultimate discretion whether they elected to contribute to the 403(b). During the year ended December 31, 2019, the Trust allotted $14,077 to employees for their discretionary use or contribution to the Plan. During the year ended December 31, 2018, the Trust allotted $12,889 to employees for their discretionary use or contribution to the Plan.

NOTE 11 – CONTINGENCIES

Liquidity and Financial Resources

Payments received for grant program services from the State of California and Federal sources are not sufficient to support the Trust's present level of operations. The Trust's operating expenses are funded by a combination of community donations, program service fees, grants, fundraising activities, loans and income earned on cash balances and investments. The Trust received donations during the years ended December 31, 2019 and 2018 which included significant (in excess of $5,000), nonrecurring contributions from individual donors or bequests in the amount of approximately $419,000 and $1,509,000, respectively.

The ability of the Trust to maintain its present level of operations is dependent upon, among other things, governmental grants and the continuity of sufficient annual financial support from the San Joaquin Valley community.

NOTE 12 – COMMITMENTS

Lease Commitments

The Trust leases certain office equipment under operating leases. Monthly lease amounts include applicable taxes and other fees. The following table shows the future annual minimum payments for each of the years ending December 31:

	Operating
2020	$ 7,247
2021	1,009
Total minimum lease payment	$ 8,256

Total equipment rental expense on operating leases totaled $8,892 and $8,585 for the years ended December 31, 2019 and 2018, respectively.

NOTE 13 – FAIR VALUE MEASUREMENTS

In accordance with generally accepted accounting principles, fair value is defined as the price that the Trust would either receive upon selling an asset or pay to transfer a liability at the reporting date. Fair value utilizes and establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability as developed from the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and fair value is determined through the use of other valuation methodologies

Level 3 – Valuations based on inputs that are not observable and significant to the overall fair value measurement, including the Trust's own assumptions in determining the fair value of assets or liabilities

NOTE 13 – FAIR VALUE MEASUREMENTS (Continued)

The following is a summary of the inputs used as of December 31, 2019 in valuing the Trust's assets carried at fair value:

Asset Description	Level 1	Level 2	Level 3	Total
Investments:				
Certificate of deposit	$ 7,028	$ -	$ -	$ 7,028
US Equities	2,016,434	-	-	2,016,434
International Equities	558,115	-	-	558,115
Investment Pool Central Valley Community Foundation	-	61,758	-	61,758
Fixed income	395,863	-	-	395,863
Bond mutual funds	86,207	-	-	86,207
Assets measured at fair value	$ 3,063,647	$ 61,758	$ -	$ 3,125,405

The following is a summary of the inputs used as of December 31, 2018 in valuing the Trust's assets carried at fair value:

Asset Description	Level 1	Level 2	Level 3	Total
Investments:				
Certificate of deposit	$ 7,014	$ -	$ -	$ 7,014
US Equities	1,507,840	-	-	1,507,840
International Equities	483,637	-	-	483,637
Investment Pool Central Valley Community Foundation	-	54,793	-	54,793
Fixed income	636,428	-	-	636,428
Bond mutual funds	69,090	-	-	69,090
Assets measured at fair value	$ 2,704,009	$ 54,793	$ -	$ 2,758,802

All of the Trust's investments are available for sale and are stated at their fair value based on quoted closing prices.

NOTE 14 – BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS

Board Designated Net Assets (Net Assets Without Donor Restrictions) consist of the following at December 31:

	2019	2018
Legal defense fund	$ 72,500	$ 72,500
Community supported agriculture	34,879	34,879
Parkway trailblazers	28,281	28,281
Owl hollow stewardship	360,000	360,000
Total board designated net assets	$ 495,660	$ 495,660

NOTE 14 – BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net Assets With Donor Restrictions consist of the following at December 31:

	2019	2018
EK Martin Land Acquisition Fund	$ 2,076,849	$ 2,089,517
Grants:		
Educational Programs	1,000	4,500
Gimbel Grant	-	694
Solar donation	20,450	20,450
Eaton Bridge Feasibility Project	119,298	119,298
Eaton Trail Improvements	23,289	25,000
Conservation easement monitoring fund	30,291	30,291
Owl Hollow	-	51,191
Alex C. Moir Memorial Fund	-	25,000
P4P Sponsor	33,750	30,134
River Camp Firebaugh	27,457	30,585
RC Scholarships	7,635	7,005
River Center Improvements	1,800	1,800
Patton Shade Arbor	15,000	10,000
Operations and maintenance endowment fund	352,079	197,500
Operations and maintenance endowment fund earnings	40,523	-
Lundberg educational endowment	70,957	70,957
Land stewardship funds	34,978	34,978
REI Grant	2,231	-
East Fresno Rotary	2,515	-
MUFG RCOH	10,000	-
Net assets with donor restrictions	$ 2,870,102	$ 2,748,900

The Trust's endowment net assets by composition is as follows for the year ended December 31, 2019:

	Without Donor Restrictions	With donor restrictions Original Gift	Accumulated Gains (Losses)	Total	Total All Funds
Board-designated funds	$ -	$ -	$ -	$ -	$ -
Donor-restricted funds:					
Underwater	-	-	-	-	-
Other funds	-	458,014	40,523	498,537	498,537
Total endowment funds, December 31, 2019	$ -	$ 458,014	$ 40,523	$ 498,537	$ 498,537

NOTE 14 – BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The Trust's endowment net assets by composition is as follows for the year ended December 31, 2018:

		With donor restrictions			
	Without Donor Restrictions	Original Gift	Accumulated Gains (Losses)	Total	Total All Funds
Board-designated funds	$ -	$ -	$ -	$ -	$ -
Donor-restricted funds:					
Underwater	-	-	-	-	-
Other funds	-	303,435	-	303,435	303,435
Total endowment funds, December 31, 2018	$ -	$ 303,435	$ -	$ 303,435	$ 303,435

The changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2017	$ -	$ 105,935	$ 105,935
Investment return, net	-	-	-
Contributions and others	-	197,500	197,500
Appropriation of endowment assets for expenditure	-	-	-
Other changes and reclassifications	-	-	-
Endowment net assets, December 31, 2018	-	303,435	303,435
Investment return, net	-	40,523	40,523
Contributions and others	-	154,579	154,579
Appropriation of endowment assets for expenditure	-	-	-
Other changes and reclassifications	-	-	-
Endowment net assets, December 31, 2019	$ -	$ 498,537	$ 498,537

At any time, the fair value of assets associated with individual endowment funds may fall below the original level of the donor's original contributions. This deficit is usually the result of unfavorable market fluctuations that occur after the original contributions. Such deficits are reported as reductions to Net Assets With Donor Restrictions. At December 31, 2019 and 2018, the Trust had no endowment funds in which the value at year-end was below the original amount provided by the donor.

NOTE 15 – CONSERVATION EASEMENTS

During the years ended December 31, 2019, and December 31, 2018, the Trust did not acquire or fund any conservation easements.

NOTE 16 – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic, and on March 13, 2020, the President of the United States declared the COVID-19 outbreak in the United States a national emergency. Further, on March 19, 2020, the governor of the State of California issued a statewide Stay at Home Order to slow the spread of COVID-19. The Order requires all individuals living in California to stay at home, except as needed to maintain continuity of the federal critical infrastructure sectors. Some functions of the Trust's operations will be limited to protect the health and safety of its employees and program participants.

The temporary closure of the Trust's programs will have a negative impact on the fee for service income. The Trust will also postpone special events and other fundraising activities to comply with social distancing guidelines. The Trust's investment activities have also sustained a decline due to a volatile market. To offset the impact of revenue loss, the Trust has reduced discretionary spending and adjusted program plans for the remainder of the year. The ultimate financial impact on the Trust that could occur as a result of the pandemic is unknown at this time.

Management has evaluated and concluded that there were no other subsequent events that have occurred from December 31, 2019 through the date the financial statements were available to be issued at April 15, 2020 that would require disclosure or adjustment.