Tri-Valley Conservancy

Financial Statements
and
Independent Auditor's Report
For the Years Ended
December 31, 2019 and 2018

Tri-Valley Conservancy

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December 31, 2019 and 2018

DAMORE HAMRIC & SCHNEIDER, INC.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tri-Valley Conservancy

We have audited the accompanying financial statements of Tri-Valley Conservancy (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 entity'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 Conservancy'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.

1515 River Park Drive, Suite 150
Sacramento, CA 95815-4606
Tel (916) 481-2856
Fax (916) 488-4428
http://www.dhscpa.com

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-Valley Conservancy as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Tri-Valley Conservancy's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Damore, Hamric + Schneider Inc

DAMORE, HAMRIC & SCHNEIDER, INC.
Certified Public Accountants

Sacramento, CA

May 29, 2020

Tri-Valley Conservancy

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

ASSETS

Current Assets:	**2019**	2018
Cash and Cash Equivalents (Note 2)	**$ 1,960,769**	$ 1,560,061
Accounts Receivable	**5,329**	5,000
Pledge Receivable	**60,000**	
Investments (Note 5)	**18,727,498**	16,298,181
Accrued Investment Income	**38,462**	51,870
Prepaid Expenses	**47,869**	37,985
Total Current Assets	**$ 20,839,927**	$ 17,953,097
Deposits	**$ 4,614**	$ 4,614
Office Furniture, Equipment, and Fixtures - Net of Accumulated Depreciation	**567**	1,177
Deeds of Agricultural Conservation Easements	**65**	65
Total Assets	**$ 20,845,173**	$ 17,958,953

LIABILITIES AND NET ASSETS

Current Liabilities:	**2019**	2018
Accounts Payable and Accrued Liabilities	**$ 14,220**	$ 37,118
Accrued Vacation	**12,212**	5,128
Total Current and Total Liabilities	**$ 26,432**	$ 42,246
Net Assets:		
With Donor Restrictions (Note 11)	**$ 16,850,913**	$ 15,550,214
Without Donor Restrictions (Note 12)	**3,967,828**	2,366,493
Total Net Assets	**$ 20,818,741**	$ 17,916,707
Total Liabilities and Net Assets	**$ 20,845,173**	$ 17,958,953

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

Tri-Valley Conservancy

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2019
With Comparative Totals for 2018

	Without Donor Restrictions		With Donor Restrictions					
Revenue:	TVC	South Livermore Valley Area Plan	Valley Trails Connections	Youth-In-Nature	Fish & Wildlife	South Livermore Valley Area Plan	**2019**	2018
Mitigation Income	$	$ 51,726	$	$	$	$ 77,590	**$ 129,316**	$ 529,401
Contributions	86,189		25,725	92,020			**203,934**	123,299
Special Events (Net of Direct Expenses **$51,313 in 2019** and $20,137 in 2018)	107,462						**107,462**	(45)
Grants	8,900		705,349	30,327			**744,576**	18,203
Stewardship Income		6,590			25,000		**31,590**	57,744
Investment Return, Net	386,465	1,353,183		32,205	96,904	1,449,242	**3,317,999**	(823,032)
In-Kind Revenue	29,782	12,764					**42,546**	23,853
Other Revenue	730						**730**	39,125
Net Assets Released from Restrictions	964,495	269,168	(882,534)	(46,572)	(37,555)	(267,002)		
Total Revenues	$ 1,584,023	$ 1,693,431	($ 151,460)	$ 107,980	$ 84,349	$ 1,259,830	**$ 4,578,153**	($ 31,452)
Expenses:								
Program Services	$ 1,017,085	$ 492,248	$	$	$	$	**$ 1,509,333**	$ 689,114
Management and General Expenses	9,261	32,732					**41,993**	21,406
Fundraising Expenses	64,378	60,415					**124,793**	129,220
Total Expenses	$ 1,090,724	$ 585,395	$	$	$	$	**$ 1,676,119**	$ 839,740
Change in Net Assets	$ 493,299	$ 1,108,036	($ 151,460)	$ 107,980	$ 84,349	$ 1,259,830	**$ 2,902,034**	($ 871,192)
Net Assets, Beginning of Year	1,794,535	571,958	151,460		513,722	14,885,032	**17,916,707**	18,787,899
Net Assets, End of Year	$ 2,287,834	$ 1,679,994	$ 0	$ 107,980	$ 598,071	$ 16,144,862	**$ 20,818,741**	$ 17,916,707

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

Tri-Valley Conservancy

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019
With Comparative Totals for 2018

	Program Services	Supporting Activities: Management and General Expenses	Supporting Activities: Fundraising Expenses	Supporting Activities: Supporting Activities Subtotal	**2019**	2018
Salaries and Wages	$ 307,887	$ 10,867	$ 43,466	$ 54,333	**$ 362,220**	$ 342,780
Payroll Taxes and Related Costs	25,778	955	5,092	6,047	**31,825**	32,941
Employee Benefits	31,344	1,161	6,191	7,352	**38,696**	30,872
Total Salaries and Related Costs	$ 365,009	$ 12,983	$ 54,749	$ 67,732	**$ 432,741**	$ 406,593
Accounting	$ 10,247	$ 23,570	$ 342	$ 23,912	**$ 34,159**	$ 33,920
Acquisition Expenses	12,952				**12,952**	1,600
Automobile Expense	1,409	44		44	**1,453**	1,444
Business Promotions and Advertising	69,154		17,289	17,289	**86,443**	48,839
Conferences, Seminars, Workshops, and Meetings	10,050				**10,050**	31,915
Dues and Subscriptions	13,400	414		414	**13,814**	12,007
Fees, Licenses and Permits	9,332	289		289	**9,621**	2,068
Fundraising			46,031	46,031	**46,031**	30,544
Insurance	15,494	479		479	**15,973**	16,569
Land Conservation Plan Project						85
Legal	811	811		811	**1,622**	23,128
Occupancy	50,646	1,566		1,566	**52,212**	57,594
Office Equipment	8,950	277		277	**9,227**	7,906
Office Expense	13,087	405		405	**13,492**	14,314
Other Expense						28,595
Printing and Postage	1,016	31		31	**1,047**	6,298
Professional Fees	30,490	943		943	**31,433**	76,422
Special Projects:						
Special Projects - Planning and Design	21,511				**21,511**	
Special Projects - Construction	783,169				**783,169**	
Special Projects - Legal	11,687				**11,687**	
Special Projects - Other	23,135				**23,135**	
Stewardship Expenses	15,759				**15,759**	11,959
Informational Services	5,269	163		163	**5,432**	2,885
In-Kind Expenses	36,164		6,382	6,382	**42,546**	23,853
	$ 1,143,732	$ 28,992	$ 70,044	$ 99,036	**$ 1,242,768**	$ 431,945
Total Expenses Before Depreciation	$ 1,508,741	$ 41,975	$ 124,793	$ 166,768	**$ 1,675,509**	$ 838,538
Depreciation	592	18		18	**610**	1,202
Total Functional Expenses	$ 1,509,333	$ 41,993	$ 124,793	$ 166,786	**$ 1,676,119**	$ 839,740

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

Tri-Valley Conservancy

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	$ 2,902,034	($ 871,192)
Adjustments to Reconcile Increase (Decrease) in		
Net Assets to Cash provided by Operating Activities:		
Depreciation	610	1,202
Loss on Disposal of Office Furniture, Equipment, and Fixtures		1,687
Granted Deeds of Agricultural Conservation		(1)
Net Unrealized (Gain)/Loss on Investments	(2,795,169)	1,124,774
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(329)	33,735
Pledge Receivable	(60,000)	
Accrued Investment Income	13,408	(47,018)
Prepaid Expenses and Deposits	(9,883)	(1,960)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	(22,898)	15,146
Accrued Vacation	7,083	(4,104)
Net Cash Provided by Operating Activities	$ 34,856	$ 252,269
Cash Flows from Investing Activities:		
Purchase of Investments	($ 7,549,077)	($ 6,696,538)
Proceeds from Sales/Maturities of Investments	7,914,929	6,491,733
Net Cash Provided (Used) by Investing Activities	$ 365,852	($ 204,805)
Net Increase in Cash and Cash Equivalents	$ 400,708	$ 47,464
Beginning Cash and Cash Equivalents	1,560,061	1,512,597
Ending Cash and Cash Equivalents	$ 1,960,769	$ 1,560,061

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Organization - Tri-Valley Conservancy (TVC) is a California nonprofit, public benefit corporation organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific and primary purpose of this corporation is to engage in charitable activities within the meaning of Section 501(c)(3) of the Internal Revenue Code for the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open-space condition or use for the conservation purposes specified in Section 170(h)(4)(A) of the Internal Revenue Code.

B. Nature of Activities - Through its years of operation, TVC has acquired sixty-five deeds of perpetual agricultural or open space easements in the South Livermore Valley Area Plan (SLVAP), totaling 4,345 acres. These acres come from mitigation (3,215 acres), SLVAP Bonus Density (615 acres) and acquisitions (515 acres). TVC has expended $8,518,128 for these easements, and has received $2,588,333 from grants, thus resulting in a net cost to TVC of $5,959,795. In 2018, TVC executed the Doolan Canyon Burrowing Owl California Department of Fish and Wildlife (CDFW) Mitigation Easement. This 178-acre Conservation Easement was recorded on January 22, 2018. These easements have no financial value since the development rights associated with the properties have been permanently “extinguished.” Therefore, the easements are valued nominally at $1 each, for a total of $65 in these financial statements.

Ruby Hill and Vineyard Avenue Specific Plan developments within the boundary of the Plan area are required to pay TVC mitigation fees at the time individual building permits are pulled or in other cases at the time of final map approval. Such fees have been collected by the City of Pleasanton, and TVC anticipates revenues from the remaining seven plus residential lots still available in the Ruby Hill development. All monies received from Ruby Hill and Vineyard Avenue Specific Plan are restricted for use within the South Livermore Valley Area Plan. TVC uses the developer mitigation fees it receives from these developments to purchase conservation easements, to steward the portfolio of easements under its care, and to cover its general and administrative operations.

TVC accepts and holds conservation easements committing to annual stewardship in perpetuity, to enforce their terms and to building positive landowner and community relationships to support its conservation programs and enforcement actions. For every easement, TVC has a baseline documentation report prepared prior to closing which is signed by the landowner at closing.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

B. Nature of Activities (Continued):

The report documents the important conservation values protected by the easements and the relevant conditions of the property as necessary to monitor and enforce the easements. The easement properties are monitored regularly, at least annually, and documentation is kept of each monitoring activity. TVC maintains regular contact with owners of easement properties. Changes in land ownership are traced and recorded in the Annual Stewardship Report and TVC database. TVC strives to promptly build a positive working relationship with new owners of easement properties and informs them about the easement's existence and restrictions, and TVC's stewardship effort requires TVC to take necessary and consistent steps to see the violations are resolved utilizing legal resources for enforcement and defense when necessary.

C. Basis of Reporting - Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Conservancy and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subjected to donor-imposed stipulations. The TVC net assets without donor restrictions are derived from donations and special events, in addition to mitigation income from the Vineyard corridor project. SLVAP net assets without donor restrictions are derived from income (Livermore mitigation income and stewardship income) that can be used for other purposes as designated by the Board, as long as it furthers the mission of TVC.

Net Assets with Donor Restrictions - The donor restricted net assets of TVC are restricted by purpose and are temporary in nature. When a restriction expires, the restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. Mitigation Income from the Ruby Hill development is restricted for purchases of land and/or easements within the SLVAP, the administration of those purchases and operations supporting the SLVAP. Contributions from the City of Livermore to the Conservancy are restricted for the long-term monitoring and stewardship of TVC's habitat easement in North Livermore. The balance of net assets with donor restrictions for the year ended December 31, 2019 and 2018 was **$16,850,913** and $15,550,214, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. Cash and Cash Equivalents - For purposes of the statements of cash flows, TVC considers all highly liquid investments available for current use with an initial maturity of less than three months to be cash equivalents.

E. Accounts and Pledges Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Conservancy is also the recipient of a pledge receivable due in less than one year relating to the Valley Trail Connection project. Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2019.

F. Investments - Investments primarily consist of fixed income and equity securities that are carried at estimated fair value based on quoted market prices in active markets for identical investments as of the reporting date (Level 1 investments). Investments received through donations are recorded at their estimated fair value as of the date of donation. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities as investment return. Investment return is presented net of investment fees. During the years ended December 31, 2019 and 2018, TVC incurred investment fees of **$95,582** and $117,794, respectively.

G. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Office Furniture, Equipment, and Fixtures - This category consists of office equipment, software, and furniture and fixtures. The Conservancy follows the practice of capitalizing all expenditures in excess of $2,500 for office furniture, equipment, and fixtures and is reported at cost. Depreciation is provided using the straight-line method over estimated useful lives of the related assets, which range from two to ten years.

I. In-Kind Revenue and Expenses – In-kind revenue and expenses consist of contributed materials and property which are recorded at estimated fair value at the date of donation. During the years ended December 31, 2019 and 2018, contributed materials and property were **$42,546** and $23,853, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

J. Revenue Recognition – Special events and program revenues are recognized during the fiscal year in which the event and activity occurs. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are donor restricted are then reclassified to net assets without donor restrictions upon satisfaction of the restrictions.

K. Income Taxes - TVC is a California nonprofit public benefit corporation, exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and State income taxes under Section 23701(d) of the California Revenue and Taxation Code. Annual tax information returns are filed with federal and state governmental agencies and the accounting methods used for such fillings are the same as those used for financial reporting. TVC has implemented the amended accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

L. Functional Expense Reporting - The costs of providing TVC’s programs have been summarized on a functional basis in these financial statements. Based on management estimates, costs have been allocated between programs and supporting services as they relate to those functions. Program Services are identified as expenses related to fulfilling the mission of TVC whereas Management and General Expenses are related to supporting services. Priority for TVC staff and the organization in 2019 was the preservation of the South Livermore Valley Area Plan (SLVAP), South Livermore Valley Specific Plan (SLVSP), and California/United States Fish & Wildlife Mitigation projects located in North Livermore. Program Services includes stewardship of TVC’s easements, acquisition of conservation assessments, maintaining the mitigation requirements for the SLVSP and ensuring the SLVAP intent remains in place. Fundraising expenses reflect the amount TVC spent to generate funds including amounts incurred to pay for annual appeals, renewal, and special events.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

M. Accounting Pronouncements that have been Implemented in the Current Financial Statements:

Financial Accounting Standards Board Accounting Standards Update 2014-09 – In May 2014, the FASB issued ASU 2014-09, *Revenue From Contracts With Customers (Topic 606)*. The amendment establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The implementation of this Update did not have a material effect on TVC's financial statements.

Financial Accounting Standards Board Accounting Standards Update 2018-08 – In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. The purpose of the Update is to clarify and improve the scope and the accounting guidance for contributions received and made. The amendments in the Update provides a decision-making model to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. The implementation of this Update did not have a material effect on TVC's financial statements.

N. Newly Issued Accounting Pronouncement, But Not Yet Effective:

Financial Accounting Standards Board Accounting Standards Update 2016-02 – In February 2016, the FASB issued ASU 2016-02 – *Leases*, with required implementation for TVC during the year ending December 31, 2021. The objective of the Update is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the statement of financial position and disclosing key information about leasing arrangements in the notes to the financial statements. The impact of the implementation is expected to have a material effect on TVC's financial statements.

O. Reclassifications - Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation.

P. Subsequent Events - Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

NOTE 2 CASH AND CASH EQUIVALENTS:

At December 31, 2019 and 2018, cash and cash equivalents consisted of the following:

	2019	2018
Cash and Cash Equivalents		
Cash - Operating Account	**$ 175,686**	$ 93,732
Cash - Investment Accounts	**1,784,938**	1,466,033
Cash - On Hand	**145**	296
Total Cash and Cash Equivalents	**$ 1,960,769**	$ 1,560,061

NOTE 3 CONCENTRATION OF CREDIT RISK:

Financial instruments that are exposed to concentrations of credit risk consist of cash and investments. TVC has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately **$1,541,844** and $1,183,686 at December 31, 2019 and 2018, respectively. TVC maintains its cash and investments with high quality institutions and companies with high credit ratings which TVC believes limits these risks.

NOTE 4 LIQUIDITY:

TVC's financial assets available within one year of the year ended December 31, 2019 for general expenditure are as follows:

Financial assets, at year end*	$ 20,792,058
Less those unavailable for general expenditure within one year, due to:	
Restricted by donor with purpose restrictions	(16,850,913)
Board Designations:	
Amounts set side for South Livermore Valley Area Plan	(1,679,994)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,261,151

*Total assets, less nonfinancial assets (e.g., Deeds of easement, PPE & prepaid assets)

TVC's financial assets, which includes all cash, investments, accounts receivable and accrued investment income as of December 31, 2019, has been reduced by amounts not available for general expenditure because of donor imposed restrictions and amounts

NOTE 4 LIQUIDITY (Continued):

designated by the Board for use within the South Livermore Valley Area Plan. TVC's investment policy is structured so that financial assets are available to fund general expenditures, liabilities, and other obligations come due. Additionally, TVC does not intend to spend from its board-designated funds other than amounts appropriated for expenditure, however, amounts could be made available if necessary.

NOTE 5 INVESTMENTS:

In 2019, the TVC Board of Directors approved a new Investment Policy effective February 27, 2019. The new policy created the Investment Fund and three sub-allocations of funds: the Perpetuity Allocation, Operations Allocation, and the Project Allocation, by merging TVC's Endowment and Capital accounts. The policy's investment objectives were developed to support current and projected financial requirements to enable TVC to fulfill its mission statements. These objectives are to (1) emphasize the long-term growth of principal while avoiding excessive long-term risk, (2) earn 2% to 3% in excess of inflation with moderate risk tolerance, (3) provide sufficient liquidity for funding the Operations Allocation which should hold approximately one year's operating budget and be invested in government money market funds, (4) ensure proper stewardship of TVC's easements and property interests by funding the Perpetuity Allocation for the legal, operating, and monitoring activities in perpetuity, and (5) provide sufficient liquidity in lower risk assets to fund Project Allocation for projects that further TVC's mission. TVC has established asset allocation guidelines - asset class targets and style allocation guidelines for the Investment Fund and has developed investment objectives in conjunction with current and projected financial requirements for conservancy projects and to maintain conservation easements in perpetuity.

Investments consist of the following at December 31, 2019:

	Cost Basis	Fair Value	Unrealized Gains/(Losses)
Taxable Fixed Income	**$ 6,319,150**	**$ 6,392,209**	**$ 73,059**
Other Investments	**25,347**	**32,013**	**6,666**
Exchange-Traded Funds	**8,520,294**	**11,315,463**	**2,795,169**
Thornburg International Fund	**1,067,538**	**987,813**	**(79,725)**
Subtotal	**$ 15,932,329**	**$ 18,727,498**	**$ 2,795,169**
Cash and Cash Equivalents	**1,784,938**	**1,784,938**	
Total Investments	**$ 17,717,267**	**$ 20,512,436**	**$ 2,795,169**

NOTE 5 INVESTMENTS (Continued):

Investments consist of the following at December 31, 2018:

	Cost Basis	Fair Value	Unrealized Gains/(Losses)
Taxable Fixed Income	$ 6,324,035	$ 6,211,805	($ 112,230)
Other Investments	199,595	216,867	17,272
Exchange-Traded Funds	8,405,071	9,121,386	716,315
Thornburg International Fund	986,315	748,123	(238,192)
Subtotal	$ 15,915,016	$ 16,298,181	$ 383,165
Cash and Cash Equivalents	1,466,033	1,466,033	
Total Investments	$ 17,381,049	$ 17,764,214	$ 383,165

NOTE 6 FAIR VALUE MEASUREMENTS:

Fair values of assets measured on a recurring basis at December 31, 2019 and 2018 are as follows:

		Fair Value Measurements at Reporting Date Using		
December 31, 2019	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Taxable Fixed Income	**$ 6,392,209**	**$ 6,392,209**	**$**	**$**
Other Investments	**32,013**	**32,013**		
Exchange-Traded Funds	**11,315,463**	**11,315,463**		
Thornburg International Fund	**987,813**	**987,813**		
Total	**$ 18,727,498**	**$ 18,727,498**	**$ 0**	**$ 0**

NOTE 6 FAIR VALUE MEASUREMENTS (Continued):

		Fair Value Measurements at Reporting Date Using		
December 31, 2018	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Taxable Fixed Income	$ 6,211,805	$ 6,211,805	$	$
Other Investments	216,867	216,867		
Exchange-Traded Funds	9,121,386	9,121,386		
Thornburg International Fund	748,123	748,123		
Total	$ 16,298,181	$ 16,298,181	$ 0	$ 0

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

TVC held no financial assets valued using level 2 or 3 inputs as of December 31, 2019 and 2018.

NOTE 7 LEASE COMMITMENTS:

On July 1, 2013, TVC executed a lease for office space in Livermore, California. During 2018, this lease was extended for an additional 5 years and will now expire in June 2023. In October 2015, TVC entered into a 60-month copier lease at $258 per month. For the years ended, December 31, 2019 and 2018, total rent expense was **$52,212** and $50,464, respectively.

Minimum future rental payments under operating leases having remaining terms in excess of one year as of December 31, 2019, for each of the next three years and in the aggregate are:

NOTE 7 LEASE COMMITMENTS (Continued):

Year Ending December 31		
2020	$	52,047
2021		51,217
2022		52,754
2023		26,767
Total minimum future rental payments	$	182,785

NOTE 8 OFFICE FURNITURE, EQUIPMENT, AND FIXTURES:

Office Furniture, Equipment and Fixtures, consist of the following as of December 31:

Description		**2019**		2018
Office Furniture and Equipment	**$**	**14,458**	$	14,458
Fixtures - Signage		**24,012**		24,012
Leasehold Improvements		**1,386**		1,386
Totals	**$**	**39,856**	$	39,856
Less: Accumulated Depreciation		**39,289**		38,679
Net Fixed Assets	**$**	**567**	$	1,177

NOTE 9 EMPLOYEE BENEFIT PLAN:

TVC maintains a retirement plan under Section 403(b) of the Internal Revenue Code. The employer may contribute no more than 100% of the employee’s allowable contribution for the year under its provisions. Total employer contributions were **$16,083** in 2019 and $17,500 in 2018.

NOTE 9 EMPLOYEE BENEFIT PLAN (Continued):

TVC also established a Cafeteria Plan under Internal Revenue Code Section 125. The plan permits the purchase of health insurance premiums on a pre-tax basis to employees of TVC. Under the plan, TVC designates a specific dollar amount for the employee to use for health and/or retirement benefits. The employee allocates the dollar amount to health and/or retirement benefits.

NOTE 10 ACCRUED BENEFITS:

Accumulated unpaid employee vacation benefits are recognized as a liability of TVC. The amounts of accumulated vacation benefits for the year were **$12,212** and $5,128 in 2019 and 2018, respectively.

The employees do not have a vested right to accumulated sick leave or compensatory pay. For this reason, TVC does not accrue a liability for accumulated sick leave or compensatory pay benefits. Sick leave and compensatory pay benefits are recorded as expenditures in the period of use.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS:

Donor restricted assets consist of contributions and income received to assist with the TVC mission. The amounts available for specific purposes at December 31, 2019 and 2018 were as follows:

	2019	2018
South Livermore Valley Area Plan	**$ 16,144,862**	$ 14,885,032
Fish and Wildlife Conservation	**598,071**	513,722
Youth in Nature Program	**107,980**	
Valley Trail Connection Bridge		151,460
Net Assets with Donor Restrictions	**$ 16,850,913**	$ 15,550,214

NOTE 12 NET ASSETS WITHOUT DONOR RESTRICTIONS:

TVC's net assets without donor restrictions are designated at December 31, 2019 and 2018 were as follows:

	2019	2018
Designated by the Board for:		
South Livermore Valley Area Plan	$ 1,679,994	$ 571,958
Undesignated	2,287,834	1,794,535
Net Assets without Donor Restrictions	**$ 3,967,828**	$ 2,366,493

NOTE 13 SUBSEQUENT EVENTS:

In response to the world-wide spread of the COVID-19 virus, the World Health Organization declared the coronavirus a public health emergency, On March 4, 2020, California Governor, Gavin Newsom, declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for the broader spread of COVID-19. As a result of the virus, economic uncertainties have arisen which are likely to impact TVC's investment and interest income. For the four-month period ended April 30, 2020, TVC realized a loss on investment return, net of direct investment expenses, of $1,371,040.