Tri-Valley Conservancy

Financial Statements
and
Independent Auditor's Report
For the Years Ended
December 31, 2020 and 2019

Tri-Valley Conservancy

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December 31, 2020 and 2019

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, 2020, 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.

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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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 29, 2020. 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

July 27, 2021

Tri-Valley Conservancy

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS

Current Assets:	2020	2019
Cash and Cash Equivalents (Note 2)	**$ 3,245,877**	$ 1,960,769
Accounts Receivable	**3,900**	5,329
Pledge Receivable	**75,583**	60,000
Investments (Note 5)	**21,155,009**	18,727,498
Accrued Investment Income	**33,469**	38,462
Prepaid Expenses	**64,578**	47,869
Total Current Assets	**$ 24,578,416**	$ 20,839,927
Deposits	**$ 4,614**	$ 4,614
Office Furniture, Equipment, and Fixtures - Net of Accumulated Depreciation	**252**	567
Deeds of Agricultural Conservation Easements	**66**	65
Total Assets	**$ 24,583,348**	$ 20,845,173

LIABILITIES AND NET ASSETS

Current Liabilities:	2020	2019
Accounts Payable and Accrued Liabilities	**$ 20,577**	$ 14,220
Note Payable - SBA (PPP) Loan (Note 13)	**73,600**	
Accrued Vacation	**16,216**	12,212
Deferred Revenues	**2,500**	
Total Current and Total Liabilities	**$ 112,893**	$ 26,432
Net Assets:		
With Donor Restrictions (Note 11)	**$ 18,777,075**	$ 16,850,913
Without Donor Restrictions (Note 12)	**5,693,380**	3,967,828
Total Net Assets	**$ 24,470,455**	$ 20,818,741
Total Liabilities and Net Assets	**$ 24,583,348**	$ 20,845,173

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

Tri-Valley Conservancy

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2020
With Comparative Totals for 2019

	Without Donor Restrictions		With Donor Restrictions					
Revenue:	TVC	Livermore Valley Area Plan	Valley Trails Connections	Youth-In-Nature	Fish & Wildlife	South Livermore Valley Area Plan	**2020**	2019
Mitigation Income	$	$ 70,848	$	$	$	$ 106,271	**$ 177,119**	$ 129,316
Contributions	66,929		10,562	4,751			**82,242**	203,934
Special Events (Net of Direct Expenses **$0 in 2020** and $51,313 in 2019)		15,000					**15,000**	107,462
Grants	2,750		150,134	24,859			**177,743**	744,576
Stewardship Income		6,695			503,531		**510,226**	31,590
Investment Return, Net	407,413	1,427,391		33,986	121,450	1,529,348	**3,519,588**	3,317,999
In-Kind Revenue	147	63					**210**	42,546
Other Revenue	504						**504**	730
Net Assets Released from Restrictions	170,141	388,589	(141,213)	(9,760)	(51,780)	(355,977)		
Total Revenues	$ 647,884	$ 1,908,586	$ 19,483	$ 53,836	$ 573,201	$ 1,279,642	**$ 4,482,632**	$ 4,578,153
Expenses:								
Program Services	$ 309,736	$ 452,307	$	$	$	$	**$ 762,043**	$ 1,509,333
Management and General Expenses	14,255	27,697					**41,952**	41,993
Fundraising Expenses	9,380	17,543					**26,923**	124,793
Total Expenses	$ 333,371	$ 497,547	$	$	$	$	**$ 830,918**	$ 1,676,119
Change in Net Assets	$ 314,513	$ 1,411,039	$ 19,483	$ 53,836	$ 573,201	$ 1,279,642	**$ 3,651,714**	$ 2,902,034
Net Assets, Beginning of Year	2,287,834	1,679,994		107,980	598,071	16,144,862	**20,818,741**	17,916,707
Net Assets, End of Year	$ 2,602,347	$ 3,091,033	$ 19,483	$ 161,816	$ 1,171,272	$ 17,424,504	**$ 24,470,455**	$ 20,818,741

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

Tri-Valley Conservancy

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020
With Comparative Totals for 2019

		Supporting Activities				
	Program Services	Management and General Expenses	Fundraising Expenses	Supporting Activities Subtotal	**2020**	2019
Salaries and Wages	$ 320,566	$ 17,809	$ 17,809	$ 35,618	**$ 356,184**	$ 362,220
Payroll Taxes and Related Costs	25,286	1,405	1,405	2,810	**28,096**	31,825
Employee Benefits	27,573	1,532	1,532	3,064	**30,637**	38,696
Total Salaries and Related Costs	$ 373,425	$ 20,746	$ 20,746	$ 41,492	**$ 414,917**	$ 432,741
Accounting	$ 31,518	$ 1,677	$ 335	$ 2,012	**$ 33,530**	$ 34,159
Acquisition Expenses	25,388				**25,388**	12,952
Automobile Expense	726	7		7	**733**	1,453
Business Promotions and Advertising	17,143		902	902	**18,045**	86,443
Conferences, Seminars, Workshops, and Meetings	6,515				**6,515**	10,050
Dues and Subscriptions	10,291	318		318	**10,609**	13,814
Fees, Licenses and Permits	6,698	207		207	**6,905**	9,621
Fundraising			4,940	4,940	**4,940**	46,031
Insurance	14,765	457		457	**15,222**	15,973
Legal	5,727	3,222		3,222	**8,949**	1,622
Occupancy	52,054	1,610		1,610	**53,664**	52,212
Office Equipment	8,657	268		268	**8,925**	9,227
Office Expense	11,396	294		294	**11,690**	13,492
Printing and Postage	986	31		31	**1,017**	1,047
Professional Fees	27,299	12,847		12,847	**40,146**	31,433
Special Projects:						
Special Projects - Planning and Design						21,511
Special Projects - Construction	152,884				**152,884**	783,169
Special Projects - Legal						11,687
Special Projects - Other	718				**718**	23,135
Stewardship Expenses	9,068				**9,068**	15,759
Informational Services	6,332	196		196	**6,528**	5,432
In-Kind Expenses	147	63		63	**210**	42,546
	$ 388,312	$ 21,197	$ 6,177	$ 27,374	**$ 415,686**	$ 1,242,768
Total Expenses Before Depreciation	$ 761,737	$ 41,943	$ 26,923	$ 68,866	**$ 830,603**	$ 1,675,509
Depreciation	306	9		9	**315**	610
Total Functional Expenses	$ 762,043	$ 41,952	$ 26,923	$ 68,875	**$ 830,918**	$ 1,676,119

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

Tri-Valley Conservancy

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Increase in Net Assets	**$ 3,651,714**	$ 2,902,034
Adjustments to Reconcile Increase (Decrease) in		
Net Assets to Cash provided by Operating Activities:		
Depreciation	**314**	610
Net Unrealized Gain on Investments	**(3,329,954)**	(2,795,169)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	**1,429**	(329)
Pledge Receivable	**4,993**	(60,000)
Accrued Investment Income	**(15,583)**	13,408
Prepaid Expenses and Deposits	**(16,709)**	(9,883)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	**79,957**	(22,898)
Deferred Revenue	**2,500**	
Accrued Vacation	**4,005**	7,083
Net Cash Provided by Operating Activities	**$ 382,666**	$ 34,856
Cash Flows from Investing Activities:		
Purchase of Investments	**($ 8,526,282)**	($ 7,549,077)
Proceeds from Sales/Maturities of Investments	**9,428,725**	7,914,929
Purchase of Land Easements	**(1)**	
Net Cash Provided by Investing Activities	**$ 902,442**	$ 365,852
Net Increase in Cash and Cash Equivalents	**$ 1,285,108**	$ 400,708
Beginning Cash and Cash Equivalents	**1,960,769**	1,560,061
Ending Cash and Cash Equivalents	**$ 3,245,877**	$ 1,960,769

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-six deeds of perpetual agricultural, mitigation, or open space easements in the South Livermore Valley Area Plan (SLVAP), North Livermore, and South Pleasanton totaling 5,111 acres. These acres come from mitigation (4,366 acres), SLVAP Bonus Density (233 acres) and acquisitions (512 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 2020, TVC executed the G3 Byron California Department of Fish and Wildlife (CDFW) Mitigation Easement. This 350-acre Conservation Easement was recorded on July 8, 2020. The second easement is the Lund Ranch II, U. S. Fish and Wildlife Mitigation Easement. This 75.6-acre Conservation Easement was recorded July 9, 2020. 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 $66 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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

B. Nature of Activities (Continued):

documentation report prepared prior to closing which is signed by the landowner at closing. 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. The balance of net assets without donor restrictions for the year ended December 31, 2020 and 2019 was **$5,693,380** and $3,967,828, respectively.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. Basis of Reporting (Continued):

Net Assets with Donor Restrictions (Continued) - with donor restrictions for the year ended December 31, 2020 and 2019 was **$18,777,075** and $16,850,913, respectively.

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, 2020.

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, 2020 and 2019, TVC incurred investment fees of **$99,424** and $95,582, 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 more than $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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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, 2020 and 2019, contributed materials and property were **$210** and $42,546, respectively.

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 2020 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 2018-13 – In August 2018, the FASB finalized ASU 2018-13 – *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, with required implementation for TVC during the year ending December 31, 2020. The objective of this Update is to improve the effectiveness of disclosures about fair value measurements required under ASC 820. The Update amends the disclosure requirements for recurring and nonrecurring fair value measurements by removing, modifying, and adding certain disclosures particularly as it relates to transfers between levels of the fair value hierarchy. Management elected to adopt the Update on a full retrospective basis. No adjustments to prior period net assets were necessary upon its implementation.

Financial Accounting Standards Board Accounting Standards Update 2020-05 – In June 2020, the FASB finalized ASU 2020-05 – *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* with required implementation for TVC during the year ending December 31, 2022. The objective of this Update is to defer the effective dates of ASU 2014-09 and ASU 2016-02 to provide immediate, near-term relief for certain entities due to the adverse effects of the COVID-19 pandemic. Update amends the implementation dates from being required for periods beginning after December 15, 2019 to fiscal years beginning after December 15, 2021. TVC early implemented ASU 2014-09 in 2019. The impact of the implementation of ASU 2016-02, *Leases (Topic 842*) to TVC's financial statements has not been assessed at this time.

N. Newly Issued Accounting Pronouncement, But Not Yet Effective - There are no newly issued accounting pronouncements identified that are significant to TVC.

O. Reclassifications - Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 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. See Note 14 for additional disclosure of events occurring after year end.

NOTE 2 CASH AND CASH EQUIVALENTS:

At December 31, 2020 and 2019, cash and cash equivalents consisted of the following:

	2020	2019
Cash and Cash Equivalents		
Cash - Operating Account	**$ 319,979**	$ 175,686
Cash - Investment Accounts	**2,925,531**	1,784,938
Cash - On Hand	**367**	145
Total Cash and Cash Equivalents	**$ 3,245,877**	$ 1,960,769

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 **$2,622,250** and $1,541,844 at December 31, 2020 and 2019, 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, 2020 for general expenditure are as follows:

	2020
Financial assets, at year end*	$ 24,513,838
Less those unavailable for general expenditure within one year, due to:	
Restricted by donor with purpose restrictions	(18,705,001)
Board Designations:	
Amounts set side for South Livermore Valley Area Plan	(3,091,033)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,717,804

*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, 2020, has been reduced by amounts not available for general expenditure because of donor imposed restrictions and amounts designated by the Board for use within the South

NOTE 4 LIQUIDITY (Continued):

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, 2020:

	Cost Basis	Fair Value	Unrealized Gains/(Losses)
Taxable Fixed Income	**$ 6,516,866**	**$ 6,868,860**	**$ 351,994**
Other Investments	**50,726**	**56,685**	**5,959**
Exchange-Traded Funds	**8,282,752**	**12,780,132**	**4,497,380**
Thornburg International Fund	**1,335,561**	**1,449,332**	**113,771**
Subtotal	**$ 16,185,905**	**$ 21,155,009**	**$ 4,969,104**
Cash and Cash Equivalents	**2,925,531**	**2,925,531**	
Total Investments	**$ 19,111,436**	**$ 24,080,540**	**$ 4,969,104**

NOTE 5 INVESTMENTS (Continued):

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 6 FAIR VALUE MEASUREMENTS:

Fair values of assets measured on a recurring basis at December 31, 2020 and 2019 are as follows:

		Fair Value Measurements at Reporting Date Using		
December 31, 2020	**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	**$ 6,868,860**	**$ 6,868,860**	**$**	**$**
Other Investments	**56,685**	**56,685**		
Exchange-Traded Funds	**12,780,132**	**12,780,132**		
Thornburg International Fund	**1,449,332**	**1,449,332**		
Total	**$ 21,155,009**	**$ 21,155,009**	**$ 0**	**$ 0**

NOTE 6 FAIR VALUE MEASUREMENTS (Continued):

		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

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, 2020 and 2019.

NOTE 7 LEASE COMMITMENTS:

TVC executed a lease for office space in Livermore, California in 2013. This lease was extended in 2018 for an additional five years and will expire in June 2023. In October 2020, TVC entered into a 60-month copier lease at $239 per month. For the years ended, December 31, 2020 and 2019, total rent expense was **$53,664** and $52,212, respectively.

Minimum future rental payments under operating leases having remaining terms in excess of one year as of December 31, 2020, for each of the next five years and in the aggregate are:

NOTE 7 LEASE COMMITMENTS (Continued):

Year Ending December 31		
2021	$	54,085
2022		55,622
2023		29,635
2024		2,868
2025		2,151
Total minimum future rental payments	$	144,361

NOTE 8 OFFICE FURNITURE, EQUIPMENT, AND FIXTURES:

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

Description		**2020**		2019
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		**39,604**		39,289
Net Fixed Assets	**$**	**252**	$	567

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 **$13,333** in 2020 and $16,083 in 2019.

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 **$16,216** and $12,212 in 2020 and 2019, 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, 2020 and 2019 were as follows:

	2020	2019
South Livermore Valley Area Plan	**$ 17,424,504**	$ 16,144,862
Fish and Wildlife Conservation	**1,171,272**	598,071
Youth in Nature Program	**161,816**	107,980
Valley Trail Connection Bridge	**19,483**	
Net Assets with Donor Restrictions	**$ 18,777,075**	$ 16,850,913

NOTE 12 NET ASSETS WITHOUT DONOR RESTRICTIONS:

TVC's net assets without donor restrictions are designated at December 31, 2020 and 2019 were as follows:

		2020		2019
Designated by the Board for:				
South Livermore Valley Area Plan	**$**	**3,091,033**	$	1,679,994
Undesignated		**2,602,347**		2,287,834
Net Assets without Donor Restrictions	**$**	**5,693,380**	$	3,967,828

NOTE 13 PAYROLL PROTECTION PROGRAM (PPP) LOAN:

In June 2020, TVC applied for and received a PPP loan from the Small Business Administration's (SBA) Paycheck Protection Program. The total amount received was $73,600. Repayment terms will require monthly payments of principal sufficient to repay the loan over 60 months, and interest at 1% per annum. The CARES Act provides that up to the full principal amount plus interest accrued on loans guaranteed under the PPP may qualify for forgiveness if the borrower uses the loan proceeds for forgivable purposes. The Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act) amended the CARES Act and certain provisions relating to loan terms and loan forgiveness.

NOTE 14 SUBSEQUENT EVENT:

TVC applied to the SBA for loan forgiveness and was notified by the lender on June 28, 2021, that the PPP loan has been fully forgiven and is considered paid in full by the SBA. As a result, TVC will record a gain on extinguishment of $73,600 in 2021.

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