San Joaquin River
Parkway and
Conservation Trust, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

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PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of San Joaquin River Parkway and Conservation Trust, Inc. (the Trust), a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of San Joaquin River Parkway and Conservation Trust, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As disclosed in Note 7 to the consolidated financial statements, the Trust acquired Sand and 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 its cost or impaired (fair) value. The Trust believes that the Rights are not impaired and that its carrying value is equal to, or less than, its 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 its acquisition, the Trust has not obtained a detailed geological assessment or current appraisal of its 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 of fair value.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

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

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

Price Paige & Company

Clovis, California
April 25, 2023

CONSOLIDATED FINANCIAL STATEMENTS

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets:		
Cash in bank	$ 650,580	$ 592,646
Investments	3,655,164	4,390,229
Unconditional promises to give, due within one year, net	30,000	-
Grants receivable	84,976	197,655
Bequest receivable	1,000,000	-
Inventory	7,452	5,471
Prepaid expenses	10,522	15,831
Total current assets	5,438,694	5,201,832
Unconditional promises to give	30,000	-
Right of use assets	37,330	-
Property and equipment, net	9,075,796	9,082,810
Other assets	28,192	26,700
Sand and gravel rights	2,990,222	2,990,222
Total assets	$ 17,600,234	$ 17,301,564
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 31,207	$ 139,978
Accrued expenses	16,423	13,852
Line of credit	50,250	-
Deferred revenue	66,988	51,974
Mortgage payable, due within one year	35,022	33,250
Total current liabilities	199,890	239,054
Lease liabilities	37,330	-
Payroll protection program loan	-	200,752
Mortgage payable	231,876	266,898
Other notes payable	-	4,000
Total liabilities	469,096	710,704
Net assets:		
Without donor restrictions	12,900,076	13,534,828
With donor restrictions	4,231,062	3,056,032
Total net assets	17,131,138	16,590,860
Total liabilities and net assets	$ 17,600,234	$ 17,301,564

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and support:			
Grant income	$ 657,950	$ 10,000	$ 667,950
Special events, net of expenses of $35,409	1,784	-	1,784
Contributions:			
Cash and other financial assets	389,009	1,464,896	1,853,905
Nonfinancial assets	8,877	-	8,877
Governmental grant contribution	202,864	-	202,864
Program services	548,884	-	548,884
Investment income (loss), net	(649,156)	(114,293)	(763,449)
Merchandise sales, net	13,256	-	13,256
Fruit sales	109,995	-	109,995
Park operations	120,019	-	120,019
Rent revenue	51,653	-	51,653
Facility rental revenue	123,435	-	123,435
Gain (loss) on sale of assets	-	-	-
Other	45,954	-	45,954
Total revenues and support before net assets released from restrictions	1,624,524	1,360,603	2,985,127
Net assets released from restrictions	185,573	(185,573)	-
Total revenues and support after reclassification of net assets released from restrictions	1,810,097	1,175,030	2,985,127
Costs and expenses:			
Program services	1,916,212	-	1,916,212
General and administrative	295,710	-	295,710
Fundraising	232,927	-	232,927
Total costs and expenses	2,444,849	-	2,444,849
Change in net assets	(634,752)	1,175,030	540,278
Net assets, beginning of year	13,534,828	3,056,032	16,590,860
Net assets, end of year	$ 12,900,076	$ 4,231,062	$ 17,131,138

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and support:			
Grant income	$ 1,084,723	$ -	$ 1,084,723
Special events, net of expenses of $16,834	34,089	-	34,089
Contributions:			
Cash and other financial assets	450,848	194,705	645,553
Nonfinancial assets	10,026	-	10,026
Governmental grant contribution	217,400	-	217,400
Program services	242,238	-	242,238
Investment income (loss), net	574,979	131,914	706,893
Merchandise sales, net	6,515	-	6,515
Fruit sales	119,160	-	119,160
Park operations	125,905	-	125,905
Rent revenue	37,974	-	37,974
Facility rental revenue	74,196	-	74,196
Gain (loss) on sale of assets	500	-	500
Other	5,362	-	5,362
Total revenues and support before net assets released from restrictions	2,983,915	326,619	3,310,534
Net assets released from restrictions	72,543	(72,543)	-
Total revenues and support after reclassification of net assets released from restrictions	3,056,458	254,076	3,310,534
Costs and expenses:			
Program services	2,177,447	-	2,177,447
General and administrative	224,635	-	224,635
Fundraising	215,163	-	215,163
Total costs and expenses	2,617,245	-	2,617,245
Change in net assets	439,213	254,076	693,289
Net assets, beginning of year	13,095,615	2,801,956	15,897,571
Net assets, end of year	$ 13,534,828	$ 3,056,032	$ 16,590,860

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services		Supporting Services		
	Land Management	Ag Land Conservation	General and Administrative	Fundraising	Total
Personnel costs:					
Salaries and wages	$ 806,703	$ 52,051	$ 157,607	$ 142,583	$ 1,158,944
Payroll taxes	72,425	4,220	13,556	12,428	102,629
Employee benefits	160,848	15,512	37,761	26,418	240,539
Total personnel costs	1,039,976	71,783	208,924	181,429	1,502,112
Other costs and expenses:					
Accounting and legal	5,841	2,789	21,500	-	30,130
Advertising	2,552	-	1,668	1,219	5,439
Bank and credit card fees	26,297	282	738	2,755	30,072
Contract labor	-	31,486	1,865	-	33,351
Dues and subscriptions	13,924	139	-	-	14,063
Equipment rental	36,939	17,278	7,882	-	62,099
Insurance	31,223	6,154	18,061	930	56,368
Interest	15,055	-	2,908	-	17,963
Outside services	21,886	-	-	-	21,886
Miscellaneous	1,939	-	20	-	1,959
Postage and delivery	432	-	235	8,819	9,486
Printing and copying	1,570	-	1,374	22,286	25,230
Professional fees	129,424	-	21,627	12,502	163,553
Property taxes	1,836	-	81	-	1,917
Rent	9,274	-	-	-	9,274
Repairs and maintenance	60,927	10,729	2,451	-	74,107
Security	20,531	3,076	-	-	23,607
Supplies	59,241	15,639	4,121	907	79,908
Taxes and licenses	-	-	292	-	292
Travel and conferences	2,583	-	131	-	2,714
Utilities	39,744	20,574	1,494	1,862	63,674
Total other costs and expenses	481,218	108,146	86,448	51,280	727,092
Subtotal	1,521,194	179,929	295,372	232,709	2,229,204
Depreciation	182,056	33,033	338	218	215,645
Total costs and expenses	$ 1,703,250	$ 212,962	$ 295,710	$ 232,927	$ 2,444,849
Percentage results	70%	9%	12%	9%	100%

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services		Supporting Services		
	Land Management	Ag Land Conservation	General and Administrative	Fundraising	Total
Personnel costs:					
Salaries and wages	$ 547,300	$ 46,711	$ 122,812	$ 136,169	$ 852,992
Payroll taxes	51,010	3,496	10,018	12,040	76,564
Employee benefits	105,295	13,172	20,393	27,405	166,265
Total personnel costs	703,605	63,379	153,223	175,614	1,095,821
Other costs and expenses:					
Accounting and legal	2,597	5,576	16,075	-	24,248
Advertising	1,272	-	961	-	2,233
Bank and credit card fees	16,037	295	1,231	5,208	22,771
Contract labor	275,245	-	-	-	275,245
Dues and subscriptions	13,656	156	641	-	14,453
Equipment rental	38,372	20,657	9,077	-	68,106
Insurance	32,512	9,044	16,417	976	58,949
Interest	16,541	-	-	-	16,541
Outside services	4,797	-	-	-	4,797
Miscellaneous	2,755	-	282	197	3,234
Postage and delivery	777	-	572	6,597	7,946
Printing and copying	1,306	-	241	12,330	13,877
Professional fees	399,282	51,726	15,458	9,198	475,664
Property taxes	19,798	57,458	-	-	77,256
Rent	140	-	-	-	140
Repairs and maintenance	67,242	18,639	1,143	557	87,581
Security	15,428	3,341	-	-	18,769
Supplies	72,806	16,691	2,107	837	92,441
Taxes and licenses	-	-	950	-	950
Travel and conferences	2,421	1,537	17	-	3,975
Utilities	28,898	13,385	2,306	1,383	45,972
Total other costs and expenses	1,011,882	198,505	67,478	37,283	1,315,148
Subtotal	1,715,487	261,884	220,701	212,897	2,410,969
Depreciation	193,522	6,554	3,934	2,266	206,276
Total costs and expenses	$ 1,909,009	$ 268,438	$ 224,635	$ 215,163	$ 2,617,245
Percentage results	73%	10%	9%	8%	100%

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 540,278	$ 693,289
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	215,645	206,276
Investment (gains) losses	841,458	(424,705)
Reduction in the carrying amount of right-of-use assets	17,297	-
Forgiveness of loans	(200,752)	(217,400)
Changes in operating assets and liabilities:		
Unconditional promises to give, bequests and grants receivable	(947,321)	190,112
Inventory	(1,981)	(1,593)
Prepaid and other assets	3,817	(3,019)
Accounts payable and accrued expenses	(106,200)	(150,596)
Lease liabilities	(17,297)	-
Deferred revenue	15,014	(5,943)
Net cash provided by (used in) operating activities	359,958	286,421
Cash flows from investing activities:		
Purchase of property and equipment	(208,631)	(158,425)
Purchase of marketable securities	(180,836)	(378,928)
Proceeds from sale of marketable securities	74,443	92,483
Net cash provided by (used in) investing activities	(315,024)	(444,870)
Cash flows from financing activities:		
Proceeds from issuance of PPP note payable	-	200,752
Proceeds from issuance of note payable	-	6,000
Principal payments on notes payable	(37,250)	(43,566)
Advances on line-of-credit	91,250	-
Principal payments on line-of-credit	(41,000)	-
Net cash provided by (used in) financing activities	13,000	163,186
Net increase (decrease) in cash and cash equivalents	57,934	4,737
Cash in bank, beginning of year	592,646	587,909
Cash in bank, end of year	$ 650,580	$ 592,646
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ 17,963	$ 16,541
Taxes paid	$ 800	$ 800
Right-of-use assets after ASC 842 implementation:		
Operating leases	$ 54,627	$ -

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

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 have yet to be determined by the Trust. In 2009, the LLC received title to one of the three remnant parcels. The Trust chose not to acquire the two other parcels which are former landfill parcels with long-term management obligations related to the closed landfill. The two parcels were later acquired by a recently formed nonprofit called the San Joaquin River Access Corporation that has no connection or association with the Trust.

These consolidated 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 consolidated 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 consolidated financial statements to the reader.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standards, as amended, are to be applied retrospectively to annual reporting periods beginning after June 15, 2021. The Trust adopted ASU 2020 -07 with a date of initial application of January 1, 2022.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement (Continued)

Effective January 1, 2022, the Trust adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Trust elected not to restate the comparative period for the year ended December 31, 2021. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Trust recognized right-of-use assets and lease liabilities of $54,627 in its consolidated statement of financial position as of January 1, 2022. The adoption did not result in a significant effect on amounts reported in the consolidated statement of activities for the year ended December 31, 2022.

Classification of Net Assets

The consolidated financial statements of the Trust have been prepared in accordance with U.S. generally accepted accounting principles (U.S. 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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

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, unconditional promises to give, grants receivable, bequest receivable, prepaid expenses, accounts payable and accrued expenses to be short-term in nature, and therefore their fair values approximate their carrying values.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts

The Trust provides an allowance for doubtful accounts based upon management's review and analysis of specific grants, pledges or grants 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, 2022 and 2021, 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.

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, river camp, merchandise sales, fruit sales, rent revenue and facility rentals at a point in time. 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 make 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 consolidated financial statements.

Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of donated goods and services. Contributed nonfinancial assets 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, 2022 and 2021, the Trust received and recognized approximately $8,877 and $4,776, respectively, of donated goods. Donated goods consist of farm supplies and rose bushes which were used for ag land crop maintenance at Sumner Peck Ranch and land and facilities management at the River Center.

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, 2022 and 2021, the Trust received and recognized approximately $0 and $5,250, respectively, of donated professional services.

Advertising

The Trust expenses all advertising costs as incurred. Total advertising expense for the years ended December 31, 2022 and 2021 was $5,439 and $2,233, 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, 2021.

Use of Estimates

The preparation of consolidated 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Classification of Expenses (Continued)

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

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. The Trust is subject to federal and state income taxes for any activities that are unrelated to its exempt purpose. Unrelated business income tax, if any, is insignificant and no provision for income taxes has been made.

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 tax positions would not have a material impact on the consolidated financial statements. 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, 2022 and 2021, 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 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Trust determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term if material. Operating lease expense is recognized on a straight-line basis over the lease term. The Trust does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

NOTE 3 – AVAILABILITY AND LIQUIDITY

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

	2022	2021
Cash in bank	$ 650,580	$ 592,646
Grants and other receivables	1,114,976	197,655
Investments	3,655,164	4,390,229
Total financial assets	5,420,720	5,180,530
Less amounts not available to be used within one year:		
Board-designated with liquidity horizons greater than one year	(629,067)	(737,836)
Donor-restricted with liquidity horizons greater than one year	(3,201,062)	(3,056,032)
Financial assets not available to be used within one year	(3,830,129)	(3,793,868)
Financial assets available to meet general expenditures within one year	$ 1,590,591	$ 1,386,662

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.

Additionally, the Trust maintains a $100,000 line of credit, as discussed in more detail in Note 8. As of December 31, 2022, approximately $49,750 remained available on the Trust's line of credit.

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.

NOTE 4 – INVESTMENTS

Investment securities consisted of the following at December 31:

	2022	2021
Certificate of deposit	$ 7,050	$ 7,047
US Equities	2,869,349	3,137,722
International Equities	293,163	704,408
Investment Pool Central Valley Community Fund	69,046	77,622
Fixed income	303,619	334,713
Bond mutual funds	112,937	128,717
Total investments	$ 3,655,164	$ 4,390,229

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

	2022	2021
Interest and dividends	$ 74,053	$ 64,034
Realized and unrealized gain (loss)	(837,502)	642,859
Total investment income (loss), net	$ (763,449)	$ 706,893

NOTE 5 – GRANTS RECEIVABLE

Grants Receivable consist 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, 2022 and 2021 totaled $84,976 and $197,655 respectively, and are due from various grantors.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at December 31:

	2022	2021
Land	$ 4,386,187	$ 4,372,187
Building and improvements	6,424,911	6,267,376
Vehicles	129,211	122,544
Equipment	75,170	75,170
Furniture and fixtures	292,023	272,284
	11,307,502	11,109,561
Accumulated depreciation	(2,231,706)	(2,026,751)
Property and equipment, net	$ 9,075,796	$ 9,082,810

Depreciation expense for the years ended December 31, 2022 and 2021 was $215,645 and $206,276, 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.

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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021 was $266,898 and $300,148, 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 $14,821 and $16,504 during the years ended December 31, 2022 and 2021, respectively.

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

California Bank and Trust (Continued)

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

Year Ending December 31	Principal	Interest	Total
2023	$ 35,022	$ 13,049	$ 48,071
2024	36,855	11,216	48,071
2025	38,853	9,217	48,070
2026	40,924	7,147	48,071
2027	43,106	4,965	48,071
Thereafter	72,138	3,123	75,261
Totals	$ 266,898	$ 48,717	$ 315,615

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 expired on October 1, 2021. The Trust renewed the line-of-credit with similar terms which expired on October 1, 2022. In August 2022, the Trust extended the agreement through October 1, 2023. Outstanding balances at December 31, 2022 and 2021 were $50,250 and $0, respectively. The line is unsecured and accrues variable interest at an initial rate of 4.50% per annum. During the year ended December 31, 2022 and 2021, the Trust incurred interest of $933 and $0 related to this line-of-credit.

NOTE 9 – SMALL BUSINESS ADMINISTRATION PAYCHECK PROTECTION PROGRAM LOAN

On May 2, 2020, the Trust received a Small Business Administration Paycheck Protection Program (SBA PPP) loan in the amount of $217,400. Principal and interest accrue at 1.000% and are payable monthly beginning after forgiveness is granted. Interest accrues between the date of disbursement and forgiveness on the amount of the loan not forgiven.

The SBA PPP is a federal loan program designed to assist entities in sustaining their operations during the COVID-19 pandemic. The loan is forgivable if used for eligible costs including payroll costs, rent payments and others. Specific criteria must be met under the program guidelines for the loan to be forgiven. The Trust has been fully forgiven of the loan funds from the SBA and has recognized the revenue as of December 31, 2021.

On June 12, 2020, the Trust received a Small Business Administration Economic Injury Disaster Loan (SBA EIDL) in the amount of $10,000. Principal and interest accrue at 2.750% and are payable monthly beginning twelve months from the date of the promissory note.

The SBA EIDL is a federal loan program that provides working capital to businesses and nonprofits located in low-income communities that suffered a reduction in revenue of greater than 30% and have 300 or fewer employees. The Trust has paid the loan in full during 2021.

On February 10, 2021, the Trust received a second Small Business Administration Paycheck Protection Program (SBA PPP) loan in the amount of $200,752 with a maturity date of five years from the loan origination date. The Trust has been fully forgiven of the loan funds from the SBA and has recognized the revenue as of December 31, 2022.

NOTE 10 – CONCENTRATION OF CREDIT RISK

As of December 31, 2022, 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, 2022 and 2021, the Trust's cash balances were fully guaranteed by the FDIC. As of December 31, 2022 and 2021, approximately $2,924,000 and $3,643,000 of the trust's investments were in excess of the amount guaranteed by the SIPC, respectively.

NOTE 11 – 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 years ended December 31, 2022 and 2021, the Trust allotted $18,868 and $15,939 to employees for their discretionary use and/or contribution to the Plan.

NOTE 12 – 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, 2022 and 2021 which included significant (in excess of $5,000), nonrecurring contributions from individual donors or bequests in the amount of approximately $513,000 and $377,000, 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 13 – LEASES

The Trust evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Trust's right to use underlying assets for the lease term, and the lease liabilities represent the Trust's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the total future lease payments over the lease terms. The Trust did not apply a discount rate to the lease liabilities as it was not determined to be material to the overall consolidated financial statements. The Trust's operating leases consist primarily of certain office equipment and vehicles. For the year ended December 31, 2022, total operating lease cost was $18,932. The total right of use asset and lease liabilities at December 31, 2022 was $37,330 each.

NOTE 13 – LEASES (Continued)

Equipment rent expense under FASB ASC 840 (pre-adoption of the new standards) for operating leases totaled $17,495 for the year ended December 31, 2021. The aggregate minimum lease payments under those operating leases as of December 31, 2021 were as follows:

	Amount
2022	$ 17,297
2023	15,915
2024	11,772
2025	9,108
2026	535
Total minimum lease payment	$ 54,627

NOTE 14 – 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.

The following is a summary of the inputs used as of December 31, 2022 in valuing the Trust's assets carried at fair value:

Asset Description	Level 1	Level 2	Level 3	Total
Investments:				
Certificate of deposit	$ 7,050	$ -	$ -	$ 7,050
US Equities	2,869,349	-	-	2,869,349
International Equities	293,163	-	-	293,163
Investment Pool Central Valley Community Foundation	-	69,046	-	69,046
Fixed income	303,619	-	-	303,619
Bond mutual funds	112,937	-	-	112,937
Assets measured at fair value	$ 3,586,118	$ 69,046	$ -	$ 3,655,164

NOTE 14 – FAIR VALUE MEASUREMENTS (Continued)

The following is a summary of the inputs used as of December 31, 2021 in valuing the Trust's assets carried at fair value:

Asset Description	Level 1	Level 2	Level 3	Total
Investments:				
Certificate of deposit	$ 7,047	$ -	$ -	$ 7,047
US Equities	3,137,722	-	-	3,137,722
International Equities	704,408	-	-	704,408
Investment Pool Central Valley Community Foundation	-	77,622	-	77,622
Fixed income	334,713	-	-	334,713
Bond mutual funds	128,717	-	-	128,717
Assets measured at fair value	$ 4,312,607	$ 77,622	$ -	$ 4,390,229

NOTE 15 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Trust's beneficial interest in assets held by others consist of the following at December 31:

	Fair Value	
	2022	2021
Beneficial interest in assets held by others	$ 69,046	$ 77,622
Total beneficial interest in assets held by others	$ 69,046	$ 77,622

The Trust holds certain of its investment funds with the Central Valley Community Foundation (CVCF) in order to utilize the professional investment advisory services administered by CVCF's Investment Committee. CVCF manages the investment securities in accordance with the Trust's Investment Policy. CVCF holds no variance power over the funds and the Trust reserves the right to withdraw any or all assets, including supplemental transfers, and all accumulated earnings, less any fees earned, but unpaid, from CVCF upon action by the Trust's Board of Directors. The Trust's investment securities, managed by CVCF, were $69,046 and $77,622, at December 31, 2022 and 2021 respectively.

NOTE 16 – BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS

Board designated net assets (Net Assets Without Donor Restrictions) consisted of the following at December 31:

	2022	2021
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
Owl hollow stewardship earnings	133,407	242,176
Total board designated net assets	$ 629,067	$ 737,836

NOTE 16 – BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS
(Continued)

Net assets with donor restrictions classified between time and purpose restrictions were as follows at December 31:

	2022	2021
Time restrictions:		
Pledges receivable (donor)	$ 60,000	$ -
Bequest receivable	1,000,000	-
Total time restrictions	1,060,000	-
Purpose restrictions:		
EK Martin Land Acquisition Fund	1,880,005	1,931,425
Harvest home	500	-
LTA Western Innovation	10,000	-
Eaton Bridge Feasibility Project	119,298	119,298
Eaton Trail Improvements	23,789	23,789
Conservation easement monitoring fund	30,291	30,291
P4P Sponsor	11,500	15,500
River Camp Firebaugh	17,359	8,889
RC Scholarships	16,583	13,939
River Center Improvements	2,500	2,500
Patton Shade Arbor	25,000	20,000
Low Ropes Dyer	19,371	15,000
Dizubria project	-	4,109
Salmon in the classroom	-	5,600
Total program restrictions	2,156,196	2,190,340
Endowments:		
Operations and maintenance endowment fund	798,482	535,015
Operations and maintenance endowment fund earnings	110,449	224,742
Lundberg educational endowment	70,957	70,957
Land stewardship funds	34,978	34,978
Total endowments	1,014,866	865,692
Total net assets with donor restrictions	$ 4,231,062	$ 3,056,032

NOTE 16 – 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, 2022:

	Without Donor Restrictions	With donor restrictions			Total All Funds
		Original Gift	Accumulated Gains (Losses)	Total	
Board-designated funds	$ -	$ -	$ -	$ -	$ -
Donor-restricted funds:					
Underwater	-	-	-	-	-
Other funds	-	904,417	110,449	1,014,866	1,014,866
Total endowment funds, December 31, 2022	$ -	$ 904,417	$ 110,449	$ 1,014,866	$ 1,014,866

The Trust's endowment net assets by composition is as follows for the year ended December 31, 2021:

	Without Donor Restrictions	With donor restrictions			Total All Funds
		Original Gift	Accumulated Gains (Losses)	Total	
Board-designated funds	$ -	$ -	$ -	$ -	$ -
Donor-restricted funds:					
Underwater	-	-	-	-	-
Other funds	-	640,950	224,742	865,692	865,692
Total endowment funds, December 31, 2021	$ -	$ 640,950	$ 224,742	$ 865,692	$ 865,692

The changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2020	$ -	$ 624,778	$ 624,778
Investment return, net	-	131,914	131,914
Contributions and others	-	109,000	109,000
Appropriation of endowment assets for expenditure	-	-	-
Other changes and reclassifications	-	-	-
Endowment net assets, December 31, 2021	-	865,692	865,692
Investment return, net	-	(114,293)	(114,293)
Contributions and others	-	263,467	263,467
Appropriation of endowment assets for expenditure	-	-	-
Other changes and reclassifications	-	-	-
Endowment net assets, December 31, 2022	$ -	$ 1,014,866	$ 1,014,866

NOTE 16 – BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS
(Continued)

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, 2022 and 2021, the Trust had no endowment funds in which the value at year-end was below the original amount provided by the donor.

NOTE 17 – CONSERVATION EASEMENTS

During the years ended December 31, 2022, and 2021, the Trust did not acquire or fund any conservation easements.

NOTE 18 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities consist of the following for the years ended December 31:

	2022	2021
Services and discounts	$ -	$ 5,250
Goods	8,877	4,776
	$ 8,877	$ 10,026

NOTE 19 – LEASE INCOME

The Trust leases two buildings and three outbuildings to an entity on an eight-year lease which commenced on March 1, 2021 and expires on March 31, 2029. The monthly lease amount varies from $4,123 to $4,998 throughout the lease period. The following are the minimum lease payments expected to be received for the years ending December 31:

	Annual Lease Payments
2023	$ 51,772
2024	53,066
2025	54,615
2026	56,254
2027 - 2029	132,613
	$ 348,320

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there were no other subsequent events that have occurred from December 31, 2022 through the date the consolidated financial statements were available to be issued at April 25, 2023 that would require disclosure or adjustment.

OTHER INDEPENDENT AUDITOR'S REPORT

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PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of San Joaquin River Parkway and Conservation Trust, Inc. (the Trust), a nonprofit organization, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Paige & Company

Clovis, California
April 25, 2023

FINDINGS

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued:	Qualified	
Internal control over financial reporting:		
Material weaknesses identified?	______ Yes	X No
Significant deficiencies identified that are not considered to be material weaknesses?	______ Yes	X None reported
Noncompliance material to financial statement noted?	______ Yes	X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reportable.

SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

FINANCIAL STATEMENT FINDINGS

None reportable.

FEDERAL AWARD FINDINGS

None reportable.