POINT LOBOS FOUNDATION

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2018

McGILLOWAY, RAY, BROWN & KAUFMAN
ACCOUNTANTS & CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Point Lobos Foundation
Carmel, California

We have audited the accompanying financial statements of Point Lobos Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Point Lobos Foundation as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2018, Point Lobos Foundation, adopted new accounting guidance, Accounting Standards Update 2016-14, Not-for-Profit-Entities (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to these matters.

McGilloway, Ray, Brown & Kaufman

McGilloway, Ray, Brown & Kaufman
Salinas, California
December 10, 2019

POINT LOBOS FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS		
Cash and cash equivalents	$	217,181
Account receivables		94,090
Inventory		34,137
Prepaids and deposits		4,794
Investments		809,747
Collections (Note 3)		-
Property and equipment, net		15,578
Intangible assets, net		38,938
Intangible assets in process		6,500
Total assets	$	1,220,965
LIABILITIES		
Accounts payable	$	15,408
Accrued expenses		19,828
Total liabilities		35,236
NET ASSETS		
Without donor restrictions		
Undesignated		436,639
Board designated		199,846
Total without donor restrictions		636,485
With donor restrictions		
Purpose restricted		549,244
Total net assets		1,185,729
Total liabilities and net assets	$	1,220,965

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

POINT LOBOS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Membership dues	$ 124,937	$ -	$ 124,937
Grants and donations	176,097	287,786	463,883
In-kind donations	40,285	-	40,285
Merchandise sales, net	64,913	-	64,913
Investment loss, net	(59,670)	-	(59,670)
Fundraising events			
Revenue from fundraising events	6,150	-	6,150
In-kind donations for fundraising events	7,050	-	7,050
	359,762	287,786	647,548
Net assets released from purpose restrictions	259,953	(259,953)	-
Total revenue and support	619,715	27,833	647,548
Expenses			
Program services	551,304	-	551,304
Support services			
Fundraising	126,777	-	126,777
General and administration	113,089	-	113,089
Total expenses	791,170	-	791,170
Change in net assets	(171,455)	27,833	(143,622)
Net assets, beginning of year	807,940	521,411	1,329,351
Net assets, end of year	$ 636,485	$ 549,244	$ 1,185,729

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

POINT LOBOS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Support Services		
	Program Services	Fundraising	General and Administration	Total
Personnel	$ 199,026	$ 66,841	$ 65,415	$ 331,282
Docent training	9,585	-	-	9,585
Uniforms	859	-	-	859
Events and recognition	7,844	3,798	-	11,642
Transportation	12,781	-	-	12,781
Displays and other	3,479	-	-	3,479
Printing	14,576	84	-	14,660
Occupancy	5,925	6,213	9,285	21,423
Office	9,795	15,334	6,751	31,880
Curration maintenance	15,846	-	-	15,846
Equipment maintenance	2,755	-	-	2,755
Building maintenance	9,224	-	-	9,224
Utilities and telephone	4,094	119	119	4,332
Insurance	1,264	1,199	1,199	3,662
Trail maintenance and restoration	192,309	-	-	192,309
Research	17,724	-	-	17,724
Supplies	1,871	1,111	-	2,982
Website	2,984	25		3,009
Conferences and meetings	9,597	4,936	3,219	17,752
Professional fees	19,591	13,230	23,313	56,134
Fundraising events	-	12,779	-	12,779
Charitable contributions	500	-	-	500
Miscellaneous	-	-	3,788	3,788
Depreciation and amortization	9,675	1,108	-	10,783
Total expenses	$ 551,304	$ 126,777	$ 113,089	$ 791,170

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

POINT LOBOS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities	
Change in net assets	$ (143,622)
Adjustments to reconcile net assets to net	
cash (used) by operating activities	
Depreciation and amortization	10,783
Realized and unrealized loss on investments	78,605
Contributed stock	(33,513)
(Increase) decrease in current assets and liabilities	
Accounts receivables	(14,939)
Inventory	(5,422)
Prepaids	(1,727)
Accounts payable	(9,232)
Accrued liabilities	8,744
Net cash (used) by operating activities	(110,323)
Cash flows from investing activities	
Proceeds from sale of investments	988,779
Purchase of investments	(832,713)
Net cash provided by investing activities	156,066
Net increase in cash and cash equivalents	45,743
Cash and cash equivalents, beginning of year	171,438
Cash and cash equivalents, end of year	$ 217,181

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

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Point Lobos Foundation (the Foundation) is a California non-profit public benefit corporation founded in February 1978. The Foundation is dedicated to protecting and nurturing Point Lobos State Natural Reserve, educating and inspiring visitors to preserve its unique natural and cultural resources, and strengthening the network of Carmel Area State Parks.

The primary sources of the Foundation's support are from membership dues, contributions and grants.

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Classes of Net Assets

The Foundation has classified the individual funds according to donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purposes in performing the primary objectives of the Foundation. The Foundation board may designate assets without restrictions for specific operational purposes from time to time. The Board of Trustees has designated $49,846 for funding of the General Plan with the California State Parks. (See Note 11).

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 non-profit organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

Financial statements prepared in accordance with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is a tax-exempt organization under Internal Revenue Code Section 509(a)(2) under Section 501(c)(3) and related California code sections. The Foundation may be subject to tax on unrelated business income. No estimated unrelated business income tax was recorded for the year ended December 31, 2018.

The Foundation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, for accounting for uncertainty in income taxes. Management evaluated the Foundation's tax positions and concluded that the Foundation had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to the financial statements.

The Foundation had no interest and penalties related to income taxes for the year ended December 31, 2018.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, the Foundation considers all unrestricted cash held at a financial institution with an initial maturity of three months or less to be cash equivalents. The Foundation does not consider any of its investments in money market funds held with brokerage firms to be cash equivalents, regardless of their initial maturities.

Account Receivables
Management believes all account receivables are fully collectible; therefore, no allowance for doubtful accounts is recorded. All receivables are expected to be collected within one year.

Inventory
Inventories, consisting of maps and other materials available for sale. In prior years, the Foundation reported inventories at the lower of cost or market. Cost was determined using the first-in, first-out (FIFO) method.

Beginning in 2018 the Foundation began stating inventories prospectively at the lower of FIFO cost or net realizable value. This change was to implement Financial Accounting Standards Board (FASB) which issued ASU 2015-11, *Inventory* (Topic 330), to simplify the valuation of inventory.

This change had no significant effect on the change in the net assets for fiscal year 2018.

Investments
The Foundation carries investments in marketable securities with readily determinable fair values at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the investment income in the accompanying Statement of Activities. (See Note 4).

Fair Value Measurements
Investments are recorded at fair value, determined in accordance with the provisions of ASC 820, *Fair Value Measurements and Disclosures.* ASC 820 establishes a fair value hierarchal disclosure framework which prioritizes and ranks the level of market price observable inputs used in measuring investments at fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Inputs based on quoted market prices for identical assets or liabilities in an active market. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data. Price inputs are quoted prices for identical or similar financial instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value drivers are observable in active markets.
- Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. These inputs into the determination of fair value require significant management judgment or estimation. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally include private fund investment structures and limited interests.

Concentration of Credit Risk

Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents, investments and receivables. The Foundation places its cash and cash equivalents with high-credit, quality financial institutions that are insured up to $250,000 at December 31, 2018, by the Federal Deposit Insurance Corporation (FDIC).

With respect to investments, the Foundation holds investments in the form of fixed income equity securities with third-party money managers. The Foundation has never sustained a loss on any investment due to non-performance by these third parties and does not anticipate any non-performance by these parties in the future.

Receivables consist primarily of unsecured amounts due from foundation grants. The credit risk associated with the receivables from grants is mitigated by the number of grants comprising the receivable balance. Management evaluates the collectability of receivables on a regular basis and expects the receivables to be fully collectible.

Collections

The Foundation’s collections are made up of artifacts and archives of historical significance, scientific specimens, and art objects that are held for educational and curatorial purposes. Collection items were acquired through contributions since the Foundation’s inception and are not recognized as assets on the Statement of Financial Position. Proceeds from deaccessions or insurance recoveries, if any, are reflected as increases in the appropriate net assets classes. (See Note 3).

Property and Equipment and Depreciation Methods

All acquisitions of property and equipment in excess of $2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the double declining balance and straight-line methods over the estimated useful lives of the related assets, which range from 5 to 15 years.

Intangible Assets

The Foundation has intangible assets in the form of website development costs. In developing assumptions about the useful life of these assets, the Foundation considers the estimated term of expected operation. Costs that increase the functionality or efficiency of the intangible assets, or otherwise extend the useful life of the assets of $2,000 or more which are used to conduct the Foundation’s business are capitalized. Intangible assets are presented at cost less accumulated amortization. Amortization is computed using the straight-line method over the estimated life of 15 years.

Revenue Recognition

Grant and donations are recorded as support with donor or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Membership dues are recognized during the applicable membership period.

Donated Services and In-Kind Donations

Donated marketable securities and other in-kind donations are recorded as contributions at their fair value at the date of donation. The financial statements include $33,513 and $3,072 in donated stock and donated rent, respectively, for the year ended December 31, 2018.

The Foundation generally pays for services requiring specific expertise. However, the Foundation relies on substantial volunteer services – 1,970 hours in 2018 - to further its goals. No amounts have been recognized in the Statement of Activities for generalized volunteer services because the criteria for recognition have not been satisfied. The donations of professional services received are reported when the criteria are satisfied.

For the year ended December 31, 2018, the Foundation recognized $3,700 in donated services. The services received were $500 in speaker and interpretive services, and $3,200 received for labor to replace a panel of the interpretive shelter. Amounts have been recognized in the Statement of Activities.

Functional Allocation of Expenses

The cost of providing the various program services and supporting activities of the Foundation have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. An individual expense is allocated to the underlying activity through which it was incurred. The Statement of Activities and in the Statement of Functional Expenses includes certain expenses which must be allocated on a reasonable basis which has been consistently applied. Occupancy and utilities has been allocated based on a pro-rata share space usage of office. Depreciation has been allocated by the underlying activity the depreciated item serves.

Recent Accounting Pronouncements

In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958), *Presentation of Financial Statement of Not-for-Profit Entities.* The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing not-for-profit's liquidity, financial performance, functional expenses, and cash flows. The Foundation has adjusted the presentation of this statement accordingly. The ASU has been applied to the year presented.

In May 2014, FASB issued ASU 2014-09, *Revenue From Contracts With Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of the promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Foundation has not yet selected a transition method and is currently evaluating the effect that the ASU will have on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either financed or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The new standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. A modified retrospective transition approach is required for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Foundation is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

2. Financial Assets Availability, Liquidity and Reserves Management

The following reflects the Foundation's financial assets as of December 31, 2018, reduced by amounts not available for general expenditure due to contractual or donor-imposed restrictions within one year. Amounts not available include amounts set aside for liquidity reserve upon approval of the Board of Directors.

The following assets available to meet cash needs for general expenditure within one year:

Cash and cash equivalents	$ 217,181
Contribution receivable	94,090
Investments	809,747
Financial assets as of December 31, 2018	1,121,018
Less:	
Amounts subject to donor restrictions	(549,244)
Amount set aside for general plan	(49,846)
Amount set aside for liquidity reserve	(150,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 371,928

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage unanticipated liquidity needs, the Foundation has designated, at a minimum, a fund that is equal to three months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The amount of the Fund target minimum will be calculated each year after approval of the annual budget as one quarter of the approved expense budget, excluding depreciation, in-kind and other non-cash expenses. To total board designated operating reserve fund was $150,000 as of December 31, 2018.

This was established through approval of the Board of Directors to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

3. The Whalers Cabin and the Whaling Station Museum Collections

The Foundation's collections are made up of artifacts and documents of historical significance, scientific specimens and art objects that are held for educational and curatorial purposes. These items are cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The majority of the collection is on a long-term loan to California Department of Parks and Recreation, for display at The Whalers Cabin and The Whaling Station Museum buildings at Point Lobos State Natural Reserve. The objects in the collection were acquired over several years and have an appraised value of $142,905. No collection items were deaccessioned in 2018.

4. Investments

Investments are presented in the financial statements on a recurring basis at fair value based on quoted market prices for identical assets or liabilities in an active market (Level 1).

Investments consist of the following at December 31, 2018:

Cash and money market funds	$	16,356
Equities		473,454
Fixed income		319,937
	$	809,747

For the year ended December 31, 2018, investment (loss), net consisted of:

Interest and dividends	$	27,516
Realized gain		36,603
Unrealized (loss)		(115,208)
Investment fees		(8,581)
Investment loss, net	$	(59,670)

5. Property and Equipment, net

Property and equipment at December 31, 2018 consists of:

Furniture and fixtures	$	23,991
Machinery and equipment		88,878
Total depreciable assets		112,869
Less accumulated depreciation		(97,291)
Fixed assets, net	$	15,578

Depreciation expense for the year ended December 31, 2018 was $8,046.

6. Intangible Assets, net

The following is a summary of intangible assets as of December 31, 2018:

Website development costs	$	46,800
Less: Accumulated amortization		(7,862)
Intangible assets, net	$	38,938

Amortization expense for the year ended December 31, 2018 was $2,737. Estimated annual amortization expense for the next five years is $2,737 per year.

7. Intangible Assets in Process

The intangible assets in process consists of website upgrading cost of $6,500. As of December 31, 2018, the new website is still under development.

8. Merchandise Sales, net

For the year ended December 31, 2018, merchandise sales, net was as follows:

	Total	Information Station	Maps
Sales	$ 96,000	$ 47,039	$ 48,961
Cost of goods sold	31,087	24,972	6,115
Merchandise sales, net	$ 64,913	$ 22,067	$ 42,846

9. Net Profit on Special Events

For the year ended December 31, 2018, net profit on fundraising special events was as follows:

Fundraising events		
Gross proceeds	$ 6,150	
In kind donations	7,050	
Total revenues		$ 13,200
Cash expenses		(12,779)
Net profit		$ 421

10. Net Assets – With Donor Restrictions

Donor restricted net assets consist for the following purposes as of December 31, 2018:

Subject to specified purpose:	
Sister Anna Voss Memorial Fund	$ 112,529
Restroom improvement	30,052
Information Station remodel	12,000
Whalers Cabin	78,317
Sea Lion Point	38,400
School outreach transportation	9,563
Intern program	14,207
Restoration	193,880
Office relocation and communications	21,440
Research	38,000
Discover Point Lobos	856
Total	$ 549,244

Released from donor restricted net assets for the year ended December 31, 2018, are as follows:

Release for satisfaction of specific purpose:		
Sister Anna Voss Memorial Fund	$	17,323
Restroom improvement		4,628
Whalers Cabin		24,828
School Outreach transportation		10,538
Intern program		18,476
Restoration		141,969
Office relocation and communications		21,060
Discover Point Lobos		2,645
Trail		178
Property development		8,524
China Cove fencing		9,784
Total	$	259,953

11. Board Designated Net Assets

Board designated net assets consist for the following purposes as of December 31, 2018:

General Plan	$	49,846
Liquidity reserve		150,000
Total	$	199,846

In 2011, the Board designated funds for funding up to 50% for the General Plan, up to a maximum of $250,000. The balance of the funds designated for the General Plan at December 31, 2018, consists of the following:

Total Designated	$	250,000
Expended through December 31, 2017		(200,154)
Expended in 2018		-
Board Designated as of December 31, 2018	$	49,846

The General Plan is further discussed in Note 14, Commitment – Memorandum of Understanding (MOU) California State Parks.

12. Concentrations

For the year ended December 31, 2018, revenue received for grants and donations was 73% of total revenue. One donor contributed 47% of total revenue received for grants and donations.

13. Lease Commitments

In March of 2017 and May of 2018, the Foundation entered a five year noncancellable operating lease for a copier. For the year ended December 31, 2018, the copier lease expense under these two leases amounted to $2,092.

Future minimum lease payments for these copiers under this noncancellable operating lease are as follows:

Year ending December 31,	
2019	$ 2,688
2020	2,688
2021	2,688
2022	1,976
2023	596
	$ 10,636

In May 2018, the Foundation entered into a noncancellable operating lease for its administrative office for a five-year term. For the year ended, December 31, 2018, lease expenses under this lease amounted to $21,326.

Future minimum lease payments for the facility under this noncancellable operating lease are as follows:

Year ending December 31,	
2019	$ 31,990
2020	31,990
2021	31,990
2022	31,990
2023	31,990
Thereafter	10,663
	$ 170,613

14. Commitments

Memorandum of Understanding (MOU) California State Parks

The Foundation entered into a Memorandum of Understanding (MOU) with California State Parks (CSP) in 2011 to provide one-half of the funding for the preparation of a General Plan for the Properties, up to a maximum funding by the Foundation of $250,000. The Properties are defined as Point Lobos State Natural Reserve, Point Lobos Ranch property, Carmel River State Beach, and the Hatton Canyon property. Under the MOU the Foundation will reimburse CSP within 30 days after receipt of an acceptable billing statement from CSP. The Board has reserved net assets as designated for this commitment. (See Note 11).

Park It! Stewardship Fund

The Park It! initiative is a community-based coalition among multiple state, federal and local agencies to implement developed and supported solutions to improve traffic safety and enhance public access now facing public lands between the Carmel River and the southern end of Garrapata State Park and, if successful, expand further south in Big Sur and elsewhere.

On September 20, 2018, the Foundation and the Big Sur Land Trust entered into an agreement for the establishment of the Park It! Stewardship Fund, with the Community Foundation for Monterey County (CFMC). The agreement provides a vehicle for any cash contributions to the fund to be used for the projects initiated by Park It!. The funds are held by CFMC in their general fund and are invested according to their investment policies. The

Foundation has committed to contribute a total of $150,000 over a 3-year period to support Park It!. On February 20, 2019, the Foundation's Board of Directors and the Park It! steering committee approved an initial expenditure of $50,000.

15. Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through December 10, 2019, which represents the date the financial statements were available to be issued. Management has determined that, as of that date, there were no material subsequent events to recognize or disclose.