

**THE MONO LAKE FOUNDATION**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

## **INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
The Mono Lake Foundation  
Lee Vining, California**

### **Opinion**

We have audited the accompanying financial statements of The Mono Lake Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mono Lake Foundation as of December 31, 2021 and 2020, 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 Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mono Lake Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Mono Lake Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mono Lake Foundation'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.

*Gilbert CPAs*

**GILBERT CPAs**  
**Sacramento, California**

**July 7, 2022**

# THE MONO LAKE FOUNDATION

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 450,660	\$ 676,159
Accounts receivable	248,580	154,823
Inventories	84,822	91,680
Prepaid expenses and other assets	<u>27,828</u>	<u>          </u>
Total current assets	811,890	922,662
<b>INVESTMENTS</b>	13,398,268	11,687,717
<b>PROPERTY AND EQUIPMENT - Net</b>	<u>2,045,340</u>	<u>1,410,404</u>
<b>TOTAL ASSETS</b>	<u>\$ 16,255,498</u>	<u>\$ 14,020,783</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 107,884	\$ 187,019
Accrued expenses	129,282	79,964
Security deposits	1,030	
Current portion of Paycheck Protection Program loan	<u>          </u>	<u>35,489</u>
Total current liabilities	238,196	302,472
<b>PAYCHECK PROTECTION PROGRAM LOAN - NET</b>	<u>          </u>	<u>179,231</u>
<b>TOTAL LIABILITIES</b>	<u>238,196</u>	<u>481,703</u>
<b>NET ASSETS:</b>		
Net assets without donor restrictions	13,533,806	11,088,622
Net assets with donor restrictions:		
Purpose restrictions	1,521,988	1,603,900
Endowments	<u>961,508</u>	<u>846,558</u>
Total net assets	<u>16,017,302</u>	<u>13,539,080</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 16,255,498</u>	<u>\$ 14,020,783</u>

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

# THE MONO LAKE FOUNDATION

## STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>REVENUES:</b>		
Member contributions	\$ 2,280,972	\$ 2,216,110
Donated building and land	466,085	
Interest and investment income	1,385,041	1,604,342
Bequests	362,500	1,058,729
Sales revenue, net of cost of goods sold of \$167,960 for 2021 and \$39,507 for 2020	137,324	57,348
Rental income	65,850	54,655
Program service revenue	17,334	17,852
Other income	25,481	17,210
Net assets released from restrictions	<u>291,958</u>	<u>107,965</u>
Total revenues	<u>5,032,545</u>	<u>5,134,211</u>
<b>EXPENSES:</b>		
Program services:		
Public education and outreach	975,600	786,172
Membership communications	826,511	746,832
Research and policy development	<u>533,163</u>	<u>650,788</u>
Total program services	2,335,274	2,183,792
Supporting services:		
Fundraising	306,760	206,967
Management, general and store operations	<u>160,047</u>	<u>115,720</u>
Total expenses	<u>2,802,081</u>	<u>2,506,479</u>
<b>GAIN ON FORGIVENESS OF PAYCHECK PROTECTION PROGRAM LOAN</b>	<u>214,720</u>	
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>2,445,184</u>	<u>2,627,732</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Interest and investment income	237,084	337,729
Contributions and grants	87,912	74,503
Net assets released from restrictions	<u>(291,958)</u>	<u>(107,965)</u>
<b>INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>33,038</u>	<u>304,267</u>
<b>INCREASE IN NET ASSETS</b>	2,478,222	2,931,999
<b>NET ASSETS, Beginning of Year</b>	<u>13,539,080</u>	<u>10,607,081</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 16,017,302</u>	<u>\$ 13,539,080</u>

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

# THE MONO LAKE FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services		Total
	Public Educ. & Outreach	Membership Comm.	Research & Policy Develop.	Fundraising	Management, General & Store Operations	
Personnel	\$ 594,957	\$ 244,140	\$ 238,314	\$ 112,088	\$ 17,321	\$ 1,206,820
Professional services	102,782	308,444	202,850	78,682	13,497	706,255
Cost of goods sold	86,685				81,796	168,481
Printing	49,623	47,652		29,873		127,148
Postage	15,297	82,416	108	24,086	884	122,791
Grants	89,219					89,219
Advertising	12,604	59,805	169	8,315	4,390	85,283
Depreciation	39,694	18,689	19,279	5,625	1,011	84,298
Insurance	18,503	6,111	23,052	3,991	4,433	56,090
Supplies	12,471	20,937	6,736	3,716	3,912	47,772
Occupancy	7,565	1,247	25,055	375	244	34,486
Equipment	5,173	1,083	9,817	1,513	847	18,433
Travel	8,354	810	2,733	2,209	1,058	15,164
Telecommunications	5,344	2,516	2,620	758	136	11,374
Other	14,014	32,661	2,430	35,529	111,793	196,427
<b>Total expenses</b>	<b>1,062,285</b>	<b>826,511</b>	<b>533,163</b>	<b>306,760</b>	<b>241,322</b>	<b>2,970,041</b>
Less cost of goods sold included with revenues on the statement of activities	<u>86,685</u>				<u>81,275</u>	<u>167,960</u>
<b>Total expenses included in the expense section of the statement of activities</b>	<b><u>\$ 975,600</u></b>	<b><u>\$ 826,511</u></b>	<b><u>\$ 533,163</u></b>	<b><u>\$ 306,760</u></b>	<b><u>\$ 160,047</u></b>	<b><u>\$ 2,802,081</u></b>

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

# THE MONO LAKE FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services		Total
	Public Educ. & Outreach	Membership Comm.	Research & Policy Develop.	Fundraising	Management, General & Store Operations	
Personnel	\$ 469,158	\$ 294,534	\$ 301,338	\$ 53,237	\$ 14,774	\$ 1,133,041
Professional services	126,080	172,329	219,013	63,483	13,723	594,628
Cost of goods sold	18,277				21,230	39,507
Printing	34,833	90,534	5,952	43,136		174,455
Postage	8,968	106,729	75	24,656	439	140,867
Grants	41,000		10,000			51,000
Advertising	20,024	12,222	60	7,350	1,541	41,197
Depreciation	24,785	17,639	18,283	1,470	889	63,066
Insurance	1,529	441	27,828	1,094	3,653	34,545
Supplies	18,085	14,688	6,190	2,993	1,424	43,380
Occupancy	7,575	2,488	18,989	208	126	29,386
Equipment	7,924	3,983	7,961	1,791	9	21,668
Travel	8,301	227	2,411	840	1,646	13,425
Telecommunications	3,556	3,677	3,224	212	128	10,797
Other	14,354	27,341	29,464	6,497	77,368	155,024
Total expenses	804,449	746,832	650,788	206,967	136,950	2,545,986
Less cost of goods sold included with revenues on the statement of activities	18,277				21,230	39,507
Total expenses included in the expense section of the statement of activities	\$ 786,172	\$ 746,832	\$ 650,788	\$ 206,967	\$ 115,720	\$ 2,506,479

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

# THE MONO LAKE FOUNDATION

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

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	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 2,478,222	\$ 2,931,999
Reconciliation to net cash provided by operating activities:		
Net unrealized gain on investments	(1,932,696)	(1,741,030)
Receipt of donated investments	(350,000)	(1,125,000)
Receipt of donated buildings and land	(466,085)	
Depreciation	84,298	63,066
Gain on forgiveness of Paycheck Protection Program loan	(214,720)	
Changes in:		
Accounts receivable	(93,757)	(35,489)
Inventories	6,858	(99)
Prepaid expenses and other assets	(27,828)	4,621
Accounts payable	(79,135)	68,330
Accrued expenses	50,348	30,652
Net cash provided (used) by operating activities	<u>(544,495)</u>	<u>197,050</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(6,748,181)	(5,039,780)
Proceeds from sale of investments	7,320,326	4,940,535
Purchases of property and equipment	(253,149)	
Net cash provided (used) by investing activities	<u>318,996</u>	<u>(99,245)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan		<u>214,720</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(225,499)	312,525
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>676,159</u>	<u>363,634</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u>\$ 450,660</u>	<u>\$ 676,159</u>

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



# THE MONO LAKE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Mono Lake Foundation (the Foundation) is a nonprofit corporation whose mission consists of supporting the restoration and preservation of the Mono Lake ecosystem, educating the public about Mono Lake and the impacts on the environment of excessive water usage, and promoting cooperative solutions that protect Mono Lake and meet real water needs without transferring environmental problems to other areas.

**Basis of presentation** – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

**Revenue recognition** – Contributions, foundation grants, and bequests are recognized as revenues when received or unconditionally promised, in accordance with professional standards. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as an increase in donor restricted net assets. Donor restricted net assets with time or purpose restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Donor restricted net assets with restrictions perpetual in nature are those net assets whose use by the Foundation is restricted by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by the actions of the Foundation and consist of contributions to the Foundation's endowment fund.

The Foundation's revenue from contracts with customers consist of sales, guided tours, seminars, educational event revenue, and rental income. Refer to Note 9 for additional information on revenue from contracts with customers.

**Cash and cash equivalents** – For financial statement purposes, the Foundation considers all investments with a maturity at purchase of three months or less to be cash equivalents, unless held for long-term purposes.

The Foundation minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant credit risk related to cash.

**Investments** are stated at fair value.

**Inventories** consist primarily of educational and artistic materials sold by the Foundation through its retail store or distributed as membership benefits. Inventories are recorded at the lower of average cost or market. Materials that have become obsolete are not included in the inventory balance.

**Property and equipment** is stated at cost or, if donated, at the estimated fair market value as of the date of donation. The Foundation capitalizes all expenditures for property and equipment in excess of \$2,500. Assets are depreciated using the straight-line method over estimated useful lives of 5 to 39 years.

# THE MONO LAKE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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**Functional allocation of expenses** – The costs of providing the program services have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimate of the usage of resources. The expenses that have been allocated include personnel costs and professional services, which are allocated based on time and effort; postage and printing, advertising, insurance, travel, grant expense, supplies, telecommunications, occupancy expenses, equipment, depreciation, and other expenses, which are allocated based on estimated usage.

**Joint fundraising and membership communication** – The Foundation allocates costs of certain direct mail campaigns between fundraising and membership communication activities. See Note 8.

**Income taxes** – The Foundation is publicly supported and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for immaterial amounts of tax on sales of certain merchandise and rental of mailing lists. The Foundation has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements. With some exceptions, the Foundation is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2016.

**Fair value measurements** – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the asset or liability.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent events** have been reviewed through July 7, 2022, the date the financial statements were issued. Management concluded that no material subsequent events have occurred since December 31, 2021 that require recognition or disclosure in such financial statements.

# THE MONO LAKE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

### 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of December 31:

	<u>2021</u>	<u>2020</u>
Cash	\$ 450,660	\$ 676,159
Accounts receivable	248,580	154,823
Investments	<u>13,398,268</u>	<u>11,687,717</u>
Total financial assets	14,097,508	12,518,699
Less:		
Donor restrictions - purpose restriction	(1,521,988)	(1,603,900)
Donor restrictions - perpetual	<u>(961,508)</u>	<u>(846,558)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,614,012</u>	<u>\$ 10,068,241</u>

The Foundation's goal is generally to maintain financial assets to meet 120 days of operating expenses (approximately \$600,000) and to invest additional funds consistent with the Foundation's investment plan. As part of its liquidity plan, cash is invested in short-term investments, including money market accounts and certificates of deposit. Large one-time cash expenditures for special projects are planned at least six months in advance to assure investments are managed to fund such expenditures directly without unduly impacting the cash reserve.

### 3. INVESTMENTS

Money market funds, mutual funds and equities are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices with reasonable levels of price transparency. Private credit funds are classified within Level 2 of the fair value hierarchy because they are measured by inputs other than quoted prices in active markets. Investments consist of the following:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 481,697	\$ 282,730
Mutual and exchange traded funds:		
Fixed income	2,545,262	2,974,591
Blend	1,997,401	2,027,494
Emerging Markets	917,246	640,511
REIT	347,663	
Equities:		
Stock – Growth	4,130,854	3,782,875
Stock – Core	2,265,069	1,772,666
Stock – Blend	381,723	206,851
Stock – Value	506	
Private credit fund	<u>330,847</u>	
Total	<u>\$ 13,398,268</u>	<u>\$ 11,687,717</u>

# THE MONO LAKE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 675,379	\$ 545,177
Buildings and improvements	2,103,734	1,514,702
Furniture and office equipment	57,040	57,040
Automobiles	95,420	95,420
Total	<u>2,931,573</u>	<u>2,212,339</u>
Less accumulated depreciation and amortization	<u>(886,233)</u>	<u>(801,935)</u>
Property and equipment, net	<u>\$ 2,045,340</u>	<u>\$ 1,410,404</u>

### 5. PAYCHECK PROTECTION PROGRAM LOAN

In May 2020 the Foundation received a Paycheck Protection Program (PPP) loan under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling \$214,720. The terms and repayment conditions of PPP loans were modified through the subsequent Paycheck Protection Program Flexibility Act (PPPFA) signed into law in June 2020. Under the CARES Act, as modified by PPPFA, a portion or all of the loan and accrued interest may be forgiven provided the funds are spent on qualifying payroll and other expenditures in the 24-week period following the loan and provided certain other criteria regarding full-time equivalent employee and payroll levels are spent on qualifying payroll and other expenditures in the 24-week period following the loan and provided certain other criteria regarding full-time equivalent employee and payroll levels are maintained.

The Foundation received notification that its application for loan forgiveness was approved on July 19, 2021, and the loan amount was therefore recognized as income in the year ended December 31, 2021.

### 6. NET ASSETS

Donor restricted net assets consist of amounts restricted by grantors and donors for the following purposes:

	<u>2021</u>	<u>2020</u>
Research and policy development	\$ 1,265,176	\$ 1,231,568
Public education	246,812	362,332
Store	<u>10,000</u>	<u>10,000</u>
Total	<u>\$ 1,521,988</u>	<u>\$ 1,603,900</u>

Donor restricted net assets with restrictions perpetual in nature consist of an endowment. The endowment principal on the related investment is restricted from withdrawal. Interest and dividend earnings from this balance are restricted by the donor for use in research and policy development. The donor allows endowment principal to be reduced by unrealized investment losses.

# THE MONO LAKE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

The Foundation classifies as donor restricted net assets with perpetual restrictions (a) the original value of gifts donated to the permanent endowment, (b) accumulated unrealized appreciation and depreciation of endowment investments if directed by the donor gift instrument, (c) the original value of subsequent gifts to the permanent endowments, and (d) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Under the endowment investment policy as established by the Board of Directors, the primary investment objectives are to achieve a balanced return of investment income and growth, which will preserve the purchasing power of the endowment.

Changes in endowment net assets are as follows:

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning of year	\$ 846,558	\$ 691,279
Unrealized investment gain	<u>114,950</u>	<u>155,279</u>
Endowment net assets, end of year	<u>\$ 961,508</u>	<u>\$ 846,558</u>

### 7. PENSION PLAN

The Foundation maintains a “SIMPLE” IRA plan (Plan), under Internal Revenue Code Section 408(p), which includes all employees. Employees may contribute a portion of their gross compensation to the Plan. The Foundation makes matching contributions up to 3% of each employee’s gross compensation. Matching contributions totaled \$23,710 for 2021 and \$22,879 for 2020. All contributions are fully vested and non-forfeitable.

### 8. ALLOCATION OF EXPENSES

The Foundation achieves certain programmatic goals by conducting direct mail campaigns that include appeals for actions to support Mono Lake as well as for contributions. These joint costs are comprised of the following:

	<u>2021</u>	<u>2020</u>
Membership communications	\$ 234,132	\$ 243,884
Fundraising	<u>45,784</u>	<u>67,743</u>
Total	<u>\$ 279,916</u>	<u>\$ 311,627</u>

### 9. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Foundation’s revenue from sales are recognized at the time of purchase. Guided tours, seminars, and educational event revenue are recognized when the related events occur. Rental income is recognized monthly as the rental period lapses.

Funds received in advance of being earned are recorded as deferred revenue, which represents a contract liability.

# **THE MONO LAKE FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020**

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A contract asset is recorded when the Foundation satisfies a performance obligation of a contract but is not yet entitled to payment. When the Foundation becomes entitled to payment, the contract asset is classified as a receivable, whether invoiced or not.

The balances of receivables and contract liabilities from contracts with customers are not material.