



**SANTA MONICA MOUNTAINS FUND**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**FARBER HASS HURLEY LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

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**SANTA MONICA MOUNTAINS FUND**  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Santa Monica Mountains Fund

**Opinion**

We have audited the accompanying financial statements of Santa Monica Mountains Fund (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Santa Monica Mountains Fund as of December 31, 2023, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santa Monica Mountains Fund 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 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 Santa Monica Mountains Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' 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 auditors' 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, including omissions, 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 Santa Monica Mountains Fund'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 Santa Monica Mountains Fund'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.

A handwritten signature in black ink, appearing to read "Farber Hass Hurley LLP". The signature is written in a cursive, flowing style.

Farber Hass Hurley LLP

Chatsworth, California  
May 10, 2024

**SANTA MONICA MOUNTAINS FUND  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$	851,121
Certificate of Deposit		255,298
Investments		1,352,177
Contributions and Grant Receivable, current portion		326,700
Reimbursement Contracts Receivable		80,800
Other Current Assets		3,820
		3,820
Total Current Assets		2,869,916

**NON-CURRENT ASSETS**

Contributions and Grant Receivable, net of current portion		105,000
Property and Equipment, net of accumulated depreciation		3,692
		3,692
Total Non-Current Assets		108,692
		108,692
Total Assets	\$	2,978,608

**CURRENT LIABILITIES**

Accounts Payable and Accrued Expenses	\$	32,816
Accrued Payroll and Related Expenses		112,282
Deferred Revenues		64,161
		64,161
Total Current Liabilities		209,259
		209,259
Total Liabilities		209,259
		209,259

**NET ASSETS**

Without Donor Restrictions		1,378,987
With Donor Restrictions		1,390,362
		1,390,362
Total Net Assets		2,769,349
		2,769,349
Total Liabilities and Net Assets	\$	2,978,608

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Donations and Contributions	\$ 95,497	\$ 57,133	\$ 152,630
Grants	121,362	1,160,316	1,281,678
Reimbursement Contracts	746,025	-	746,025
Investment Income and Appreciation, net	140,764	21,467	162,231
Sponsorships	8,500	-	8,500
In-Kind Contributions of Services	12,810	-	12,810
Other Revenue	3,099	-	3,099
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	1,128,057	1,238,916	2,366,973
Special Events Ticket Sales	22,242	-	22,242
Less Direct Expenses	(16,905)	-	(16,905)
	<hr/>	<hr/>	<hr/>
Net Special Events	5,337	-	5,337
Net Assets Released from Restrictions	958,282	(958,282)	-
	<hr/>	<hr/>	<hr/>
Total Revenue, Support, and Reclassifications	2,091,676	280,634	2,372,310
<b>EXPENSES</b>			
Program Services	1,832,170	-	1,832,170
Management and General	132,383	-	132,383
Fundraising	164,185	-	164,185
	<hr/>	<hr/>	<hr/>
Total Expenses	2,128,738	-	2,128,738
Changes in Net Assets	(37,062)	280,634	243,572
<b>NET ASSETS - Beginning of Year</b>	<hr/>	<hr/>	<hr/>
	1,416,049	1,109,728	2,525,777
<b>NET ASSETS - End of Year</b>	<hr/>	<hr/>	<hr/>
	\$ 1,378,987	\$ 1,390,362	\$ 2,769,349
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See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Education	Wildlife	Trails and Restoration	Outreach and Other Programs	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	\$ 328,198	\$ 58,874	\$ 716,705	\$ 147,745	\$ 1,251,522	\$ 50,027	\$ 35,691	\$ 1,337,240
Taxes - Payroll	32,010	5,590	61,851	13,263	112,714	3,480	3,275	119,469
Bad Debt Expense	-	-	-	-	-	-	10,000	10,000
Contract Support	6,325	7,229	9,222	36,803	59,579	658	-	60,237
Depreciation	-	-	-	-	-	-	2,332	2,332
Event Costs	-	-	370	842	1,212	-	7,617	8,829
Insurance	12,404	4,711	33,469	1,962	52,546	6,592	-	59,138
Intern Stipends	42,360	44,100	57,686	-	144,146	1,440	-	145,586
Membership Dues	-	-	-	1,234	1,234	525	-	1,759
Merchant and Bank Charges	30	227	276	3	536	95	1,060	1,691
Postage and Printing	-	-	-	878	878	981	8,369	10,228
Professional Services	11,898	3,608	11,899	12,603	40,008	39,781	91,748	171,537
Supplies	14,973	2,716	92,626	8,318	118,633	4,738	6	123,377
Telephone	-	-	753	-	753	3,816	-	4,569
Transportation	33,217	-	948	-	34,165	-	-	34,165
Travel and Conferences	-	517	231	432	1,180	5,780	1,320	8,280
Youth Support Costs	4,104	-	1,337	-	5,441	-	-	5,441
Staff Development	1,916	30	3,239	639	5,824	1,250	29	7,103
Other	-	12	-	1,787	1,799	13,220	2,738	17,757
<b>Total Expenses</b>	<b>\$ 487,435</b>	<b>\$ 127,614</b>	<b>\$ 990,612</b>	<b>\$ 226,509</b>	<b>\$ 1,832,170</b>	<b>\$ 132,383</b>	<b>\$ 164,185</b>	<b>\$ 2,128,738</b>

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in Net Assets	\$ 243,572
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Depreciation	2,332
Increase in Fair Value of Investments	(130,395)
Reserve for Uncollectible Pledges	10,000
Changes in Assets - (Increase)/Decrease:	
Contributions and Grants Receivable	(431,700)
Contracts Receivable	(41,613)
Other Current Assets	(2,810)
Changes in Liabilities - Increase/(Decrease):	
Accounts Payable and Accrued Expenses	4,665
Accrued Payroll and Related Expenses	26,483
Deferred Revenues	64,161
Net Cash Used in Operating Activities	(255,305)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Investments	(507,547)
Proceeds from Sale of Investments	560,183
Purchases of Certificate of Deposit	(255,298)
Net Cash Used in Investing Activities	(202,662)
Net Decrease in Cash and Cash Equivalents	(457,967)

<b>CASH and CASH EQUIVALENTS</b> - Beginning of Year	1,309,088
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<b>CASH and CASH EQUIVALENTS</b> - End of Year	\$ 851,121
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**SUPPLEMENTAL DISCLOSURES**

Income Taxes Paid During the Year	\$ -
Interest Paid During the Year	\$ -

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - NATURE OF THE ORGANIZATION**

Santa Monica Mountains Fund (the "Fund") operates as a not-for-profit organization located in Thousand Oaks, California. The Fund was established on January 22, 1988 to protect and encourage appreciation and understanding of the Santa Monica Mountains National Recreation Area ("SMMNRA") by supporting the National Park Service ("NPS") endeavors in the SMMNRA. The Fund achieves this mission by partnering with the NPS to further education, science, and research; improving park facilities and trails; engaging community members and youth in education; and leading efforts to steward the natural and cultural resources of these beautiful parklands. The Fund's objectives are organized around the following core program areas, which are:

*Education*

The Fund facilitates strategic education initiatives designed to serve local youth through multiple educational, programming and internship opportunities. The Fund provides funding for programming and transportation. The Fund's *Open Outdoors for Kids* program was a cornerstone of our efforts to connect youth with the natural world in 2023. This program brings approximately 25,000 fourth graders to the SMMNRA to enjoy a day in the park to learn about plants, animals, and Native American heritage and help them gain a deeper appreciation for the natural world. For college students, the Fund provides valuable opportunities for university students to engage with the NPS and gain practical experience in conservation and education.

In the summer, the *Santa Monica Youth ("SAMO Youth") Employment Mentoring* program brings college students to the SMMNRA to work closely with NPS leadership to support various park programs and projects, contributing to their personal and professional development. The Fund's commitment to environmental stewardship and education extended to underserved communities, providing transformative experiences for participants.

Through partnerships with the NPS, the Fund facilitated educational programs that empowered youth from diverse backgrounds to connect with nature and learn about conservation. Paid internships assist NPS Leadership in organizing and conducting this program, providing valuable hands-on experience in environmental education and park management. This is a mentorship program that gives access to opportunities for employment.

*Habitat Restoration and Trails*

The Fund supports projects and programs that preserve the SMMNRA for all to explore for generations to come. The Native Plant Nursery at Rancho Sierra Vista continued to serve as a vital site for learning and employment opportunities for local youth from diverse communities. Through internships and employment opportunities, "at-promise" youth gained valuable skills and experiences in plant propagation and habitat restoration. This nursery boasts the *Oxnard Young Ecologist* program and the *Monarch and Milkweed* program.

The Fund's *Oxnard Youth Ecologists* program ("OYE") provides valuable job skills and environmental education to Latinx high school students from Oxnard and nearby communities. Participants received stipends to engage in habitat restoration activities, particularly focusing on the Monarch and Milkweed program at the Rancho Sierra Vista Native Plant Nursery. Through hands-on experience, they learned about native plant propagation, habitat restoration, and the importance of biodiversity conservation.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - NATURE OF THE ORGANIZATION** (Continued)

The *Monarch and Milkweed* program, operates in three ways. First, as part of our ongoing efforts in habitat restoration and wildlife conservation, focused on the preservation of critical habitats for monarch butterflies and other pollinators. Latinx high school students from Oxnard and nearby communities received stipends to participate in this program, gaining valuable job skills and environmental education. Through hands-on activities at the Rancho Sierra Vista Native Plant Nursery, participants learned about native plant propagation, habitat restoration, and the importance of supporting native pollinators. Second, the crew successfully grew over 55,000 plants, which were used for restoration purposes in the Santa Monica Mountains. Third, 30,000 milkweed plants were distributed to more than 100 zip codes in the public, primarily in underserved areas of Ventura and Los Angeles counties, to support Monarch Butterfly conservation efforts.

The construction of the Native Plant Nursery at Liberty Canyon for the Wallis Annenberg Wildlife Crossing marked a significant milestone in habitat restoration efforts. From the ground up, the site was transformed through terracing, fencing, and the installation of drainage and irrigation systems. Seedlings propagated from specific sites around the Santa Monica Mountains will be planted to create native habitat and attract wildlife to the new Wallis Annenberg Wildlife Crossing, currently under construction. This initiative aims to mitigate habitat fragmentation and facilitate safe wildlife movement in the region.

In November 2018, the Woolsey fire decimated 88% of the SMMNRA land. The Restoration Crew played a crucial role in post-fire recovery efforts, planting 100,000 small trees and implementing habitat restoration projects across the Santa Monica Mountains. Their efforts have been instrumental in promoting ecosystem resilience and biodiversity following the devastation caused by the 2018 Woolsey Fire.

The Trail Crew maintained over 500 miles of public trails in the Santa Monica Mountains, ensuring safe and enjoyable experiences for visitors. Their efforts included trail monitoring, trash cleanup, brush clearance, and repairs to mitigate weather wear-and-tear. Historical routes through the mountains were also preserved and maintained by the crew.

*Wildlife Research and Protection*

In addition to student interns supporting wildlife research, the Fund supports the *NPS Wildlife Research* program by donating funds to support staffing of multiple-research projects focusing on coyotes, deer and red-legged frogs. Advanced technologies such as satellite collars and wildlife tracking cameras enabled NPS biologist and wildlife technicians to track and understand the movement patterns of mountain lions and bobcats. Research work relevant to the Wallis Annenberg Wildlife Crossing, supported by the Fund, contributed to the campaign leading to its construction.

The Fund continues to support the *Nature Neighbor* program, which continues to foster local understanding of wildlife behavior and promote coexistence with native species. Finally, the *Break the Poison Chain* campaign raised awareness about the risks of rodenticide to wildlife by distributing hundreds of signs to raise awareness about anti-coagulants.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - NATURE OF THE ORGANIZATION (Continued)**

*Outreach and Other Special Initiatives*

The Fund provides yearly support for various volunteer programs that support the NPS and its partner park organizations in the Santa Monica Mountains, such as the Mounted Volunteer Program, the Mountain Bike Unit, National Trails Day, and a variety of other volunteer activities. The Fund also supports various cultural preservation projects including archeological research projects and cultural activities at the Satwiwa Native American Indian Culture Center.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accompanying financial statements of the Fund have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The net assets of the Fund are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Fund classifies net assets and changes in net assets as follows:

*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 Fund. The Fund's board may designate assets without restrictions for specific operational purposes from time to time.

*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 Fund or by the passage of time. Other donor restrictions, such as the Fund's endowments, are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Fund to use the returns on the related investments over time for general or specific purposes. When a restriction expires, that is, when a stipulated time restriction ends or a 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. When restrictions on contributions are satisfied in the same period as the receipt of the contribution, the Fund reports the contribution or grant revenue in net assets without donor restrictions.

*Revenue and Support*

The Fund recognizes revenues upon applying the five-step model: (a) identification of the contract(s) with a customer; (b) identification of the performance obligations in the contract; (c) determination of the transaction price; (d) allocation of the transaction price to performance obligations in the contract; and (e) recognition of revenues when, or as, the contractual obligations are satisfied.

*Contributions and Grants*

Unconditional contributions are recognized at a point in time, when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributions and Grants (Continued)

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 of other assets are reported with donor-restricted support, if they are received with donor stipulations that limit the use of the donated assets.

In-Kind Contributions

From time to time, the Fund receives in-kind contributions such as professional services, supplies, equipment, and other assets. Contributions of supplies, equipment, and other assets are recognized as revenue at a point of time at the estimated fair value, which considers the highest and best use, on the date of donation or when ownership of donated assets is transferred to the Fund.

The contribution of services is recognized at a point in time if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Revenues and expenses related to contributed professional services are recognized in equal amounts at their fair market value, as estimated by management.

During 2023, the Fund recognized \$12,914 of contributed services that meet the criteria above. The Fund also received use of facilities during the year, pursuant to its Cooperative Agreement with the NPS for an unstated value. In addition, during the year a number of individuals donated services and time to the Fund; the value of these services has not been reflected in the financial statements as the services performed do not meet the criteria discussed above.

Reimbursement Contracts

Reimbursement Contracts primarily consist of reimbursable federal task agreements through the U.S. Department of the Interior. Under the terms of the agreements, The Fund is reimbursed for allowable expenses incurred. Accordingly, revenue and a related administrative fee, is recognized at a point in time as the related expenses are incurred. Costs incurred under the contracts are subject to audit by government agencies. Management believes that the disallowance of costs, if any, would not be material to the financial statements. Payments received in advance are reported as deferred revenue until earned. As of December 31, 2023 and 2022, the Fund had related receivables of approximately \$81,000 and \$39,000, respectively and deferred revenue of \$64,000 and \$-, respectively related to these agreements. Further, the Fund had approximately \$1,260,000 in task agreements available for future projects as of December 31, 2023.

Allocation of Expenses

The costs of providing the various program services and supporting activities of the Fund have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Special Events

During the year, the Fund conducts various special events, the direct costs incurred that provide a benefit to the contributors are deducted from the gross revenues raised at such events.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

The Fund considers all cash on hand and short-term highly liquid investments that are readily convertible into cash with purchased maturities of three months or less to be cash equivalents. Cash and cash equivalents consisted of the following at December 31, 2023:

Cash in Banks	\$ 526,975
Cash on Hand	318
Money Market Funds	<u>323,828</u>
Total	<u>\$ 851,121</u>

Certificate of Deposit

Certificate of Deposit are valued at cost plus earned accrued interest and typically held to maturity with purchased maturities greater than three months and not debt securities.

Investments

Investments are reported at fair value. Unrealized gains and losses are included in the change in net assets in the period such fluctuations occur. Investment income consisted of interest and dividend income totaling \$34,298 and net realized and unrealized gains and losses on investments, net of investment advisor fees, totaling \$127,933 for the year ended December 31, 2023.

Contributions and Grants Receivables

Contributions and grant receivables represent unconditional pledges and promises to give less an allowance for doubtful accounts. Conditional contributions received are reported as liabilities until the condition is eliminated or the assets are returned to the donor.

The Fund maintains an allowance for credit losses that is estimated and recorded utilizing relevant information about past events, including historical experience, current conditions and a reasonable and supportable forecast that affects the collectability of the related financial asset. As of December 31, 2023, management believes that all receivables are collectable after year end. The Fund writes off receivables when there is information that indicates the debtor or donor is facing significant financial difficulty and there is no possibility of recovery. For the year ending December 31, 2023, the total provision for bad debt expense was \$10,000.

Property and Equipment

Property and equipment acquired by purchase are recorded at cost. The fair market value of donated fixed assets are capitalized based on the fair market value on the date of the gift. Depreciation is provided on a straight-line basis over the useful lives of the assets, which range from 5 to 15 years. The Fund capitalizes all donated or purchased fixed assets with an initial value greater than \$5,000. From time to time, the Fund will purchase fixed assets with the purpose of donating; the fixed asset is expensed when donated. Normal repairs and maintenance are expensed as incurred. During the year ended December 31, 2023, depreciation expense was \$2,332 on gross fixed assets of \$19,175 consisting of equipment, furniture, and software.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Income Tax Exemption*

The Fund qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code effective March 1989, and Section 23701(d) of the State of California Revenue and Taxation Code effective June 1988. Accordingly, no provision for income taxes has been made.

In evaluating the Fund's tax provisions and accruals, the Fund believes that its estimates are appropriate based on current facts and circumstances. The Fund believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Fund's tax filings are subject to audit by various taxing authorities. The Fund's federal and state informational returns for December 31, 2020 and 2019, and subsequent remain open to examination by the Internal Revenue Service and Franchise Tax Board, respectively.

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

*Subsequent Events*

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855-10-50, *Subsequent Events*, the Fund has evaluated events subsequent to December 31, 2023, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 10, 2024, the date the financial statements were available to be issued.

*Recent Accounting Pronouncements*

*Credit Losses*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 replaces the current incurred loss methodology for recognizing credit losses with a current expected credit loss model ("CECL"), which requires the measurement of all expected credit losses for financial assets held at the reporting based on historical experience, current condition, and reasonable and supportable forecasts. ASU 2016-13 also requires enhanced disclosures for better understanding of significant estimates and judgments used in estimating credit losses. ASU 2016-13 is effective for financial statements issued for fiscal years beginning after December 15, 2022. The standard was adopted effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 - FAIR VALUE MEASUREMENTS**

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a consistent framework which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 described as follows:

Level 1     Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2     Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3     Inputs to the valuation methodology are unobservable and based upon the best information in the circumstance and may require significant management judgment.

The methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual funds:* Mutual funds are open-ended Securities and Exchange Commission registered funds with daily quoted market prices. The mutual funds allow investors to sell their interests to the fund at the published daily quoted market prices, with no restrictions on redemptions. The mutual funds held by the Fund are deemed to be actively traded.

*Common stock:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Alternative Investments:* Consist of fund of funds, value is estimated using the practical expedient of the net asset value ("NAV") of the fund's shares as of year end. The alternative investment is also subject to redemption restrictions.

**SANTA MONICA MOUNTAINS FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)**

Fair value of assets measured on a recurring basis as of December 31, 2023 are as follows:

	Level 1	Level 2	Level 3	Investments measured at NAV	Totals
<i>Mutual Funds:</i>					
Fixed Income Taxable	\$ 533,212	\$ -	\$ -	\$ -	\$ 533,212
US Equity	178,354	-	-	-	178,354
International Equity	345,733	-	-	-	345,733
U.S. Equity Stocks	228,597	-	-	-	228,597
Alternative Investments	-	-	-	66,281	66,281
	<u>\$ 1,285,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,281</u>	<u>\$ 1,352,177</u>

In accordance with ASC 820 certain investments that are measured at fair value using the net asset value ("NAV") per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the preceding table are intended to permit reconciliation of the fair value hierarchy to total investments.

**NOTE 4 - PLEDGES RECEIVABLE**

Unconditional promises to give at December 31, 2023, are as follows:

Unconditional promises to give	\$ 29,000
Allowance for uncollectible pledges	(29,000)
Total unconditional promises to give, net of allowance	<u>\$ -</u>

Based upon management's expectations, the Fund has established an allowance for uncollectible pledges of \$29,000 as of December 31, 2023.

**NOTE 5 - CONCENTRATION OF RISK**

During the year, a significant amount of revenue and support was generated from individual grants and contributions, of which four donors made up approximately 63% of total donations, contributions, and grants. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term.

Financial instruments that potentially subject the Fund in concentrations of credit risk consists of cash deposits and investments. All cash and time deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 by financial institution. All brokerage accounts held by the Fund are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 by financial institution. From time to time, the balances may exceed these insured limits, although the Fund has not experienced any losses in such accounts.

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**NOTE 6 - RELATED PARTY TRANSACTIONS**

The Fund entered into a cooperative agreement with the U.S. Department of the Interior, NPS on behalf of the SMMNRA. This agreement states that the Fund provides expertise and services for the purpose of providing support and assistance to interpretive, educational, resource restoration, resource protection, and research activities of the NPS. For the year ended December 31, 2023, the Fund directly provided to, or paid on behalf of, the NPS approximately \$580,000. The assistance was principally given to the SMMNRA, or associated government operations deemed by the NPS to be beneficial to the SMMNRA.

**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following restrictions as of December 31, 2023:

	December 31, 2022	Additions	Transfers	December 31, 2023
Donor Restricted by Purpose or Time				
Education	\$ 208,352	\$ 535,271	\$ (241,829)	\$ 501,794
Trails and Restoration	358,462	612,224	(619,707)	350,979
Wildlife	289,867	91,318	(84,967)	296,218
Outreach and Other	49,959	103	(11,779)	38,283
	<u>906,640</u>	<u>1,238,916</u>	<u>(958,282)</u>	<u>1,187,274</u>
Donor Restricted in Perpetuity (see Note 8)				
Education	118,413	-	-	118,413
Wildlife	84,675	-	-	84,675
	<u>203,088</u>	<u>-</u>	<u>-</u>	<u>203,088</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,109,728</u>	<u>\$ 1,238,916</u>	<u>\$ (958,282)</u>	<u>\$ 1,390,362</u>

**NOTE 8 - ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS**

The Fund's endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the California-enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gifts to the Endowment as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment to the extent specified by the applicable donor gift instrument.

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**NOTE 8 - ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS (Continued)**

The remaining portion of the donor-restricted endowment fund is included in net assets with donor restrictions until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by UPMIFA.

Transfers from the endowment are determined by the Board, which considers, among other factors, anticipated budget needs, available funds, recent endowment performance, and overall economic conditions. For transfers approved by the Board, the practice of the Board has been to adopt a distribution rate of the endowment's assets equal to up to 5% of the endowment value as of the beginning of the year.

A summary of the Fund's endowments are as follows:

The SMMNRA Operations Endowment is sourced from contributions without donor restrictions and designated by the Board with allocated contributions of \$8,883 as of December 31, 2023. The endowment was created to help support park operations in the Santa Monica Mountains. The Board designated net assets accumulated net earnings available is included in net assets without donor restrictions.

The Fund also has two endowments created by the Yelda Trust from restricted contributions to the Fund. The Education Transportation Endowment's objective is for annual earnings to fund the costs of providing buses for under-served schools participating in Outdoor Education Programs at SMMNRA funded by contributions totaling \$118,413 as of December 31, 2023. The Wildlife Endowment's objective is to support research and conservation of wildlife in and around the SMMNRA funded by contributions totaling \$84,675 as of December 31, 2023. The Yelda Trust endowments accumulated net earnings available is included in net assets with donor restrictions.

During the year ended December 31, 2023, the activity in the endowment funds are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 11,272	\$ 265,328	\$ 276,606
Investment return:			
Investment income	170	3,884	4,054
Unrealized income (losses)	769	17,583	18,352
Total	939	21,467	22,406
Contributions	-	-	-
Additional authorized amounts	-	-	-
Appropriation for expenditure	-	-	-
Change in endowment net assets	939	21,467	22,406
Endowment net asset, end of year	<u>\$ 12,211</u>	<u>\$ 286,795</u>	<u>\$ 299,006</u>

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**NOTE 9 - LIQUIDITY**

The Fund regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Fund's financial assets available within one year as of December 31, 2023 for general expenditure reduced by amounts not available for general use because of donor imposed, board designated, and other restrictions (see Note 7 and 8) are as follows:

Cash and Cash Equivalents	\$	851,121
Certificate of Deposit		255,298
Investments		1,352,177
Contributions and Grants Receivable		326,700
Contract Receivable		80,800
Total Financial Assets		2,866,096
Less:		
Deferred Revenues		(64,161)
Donor Restricted Funds by Purpose or Time		(1,187,274)
Donor Restricted Endowment Funds		(203,088)
Board Designated Net Assets		(8,883)
Total Financial Assets Available for General Expenditures Within One Year		\$ 1,402,690