
SANTA MONICA MOUNTAINS FUND



SANTA MONICA
MOUNTAINS FUND

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024

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SANTA MONICA MOUNTAINS FUND
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santa Monica Mountains Fund
1 Baxter Way, Suite 180
Thousand Oaks, CA 91362

Report on the Audit of Financial Statements

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, 2024, and the related statements of activities, functional expenses, and cash flows for year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Santa Monica Mountains Fund as of December 31, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 opinions.

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.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2025, on our consideration of Santa Monica Mountains Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Monica Mountains Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Monica Mountains Fund's internal control over financial reporting and compliance.



Elk Grove, CA
May 12, 2025

SANTA MONICA MOUNTAINS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Cash, cash equivalents, and restricted cash (Note 4)	\$ 1,059,119
Investments (Note 5, 6)	1,792,392
Contracts receivable (Note 2)	407,516
Property and equipment, net (Note 7)	<u>1,359</u>

Total Assets \$ 3,260,386

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 73,448
Accrued payroll and related expenses	<u>216,874</u>

Total Liabilities 290,322

Net Assets

Without donor restrictions (Note 2)	1,856,550
With donor restrictions (Note 8)	<u>1,113,514</u>

Total Net Assets 2,970,064

Total Liabilities and Net Assets \$ 3,260,386

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

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Donations and contributions	\$ 349,332	\$ 38,963	\$ 388,295
Government grants	1,841,068	-	1,841,068
Corporate and foundational grants	28,200	932,400	960,600
Investment income, net	120,638	13,573	134,211
In-kind donations	9,881	-	9,881
Special event income	6,980	-	6,980
Other revenue	<u>6,385</u>	<u>-</u>	<u>6,385</u>
Total revenue, support, and gains	<u>2,362,484</u>	<u>984,936</u>	<u>3,347,420</u>
Net assets released from restrictions	<u>1,261,784</u>	<u>(1,261,784)</u>	<u>-</u>
Total revenue, support, and gains	<u>3,624,268</u>	<u>(276,848)</u>	<u>3,347,420</u>
EXPENSES			
Program services expenses			
Education	900,716	-	900,716
Wildlife	173,108	-	173,108
Trails and restoration	1,459,978	-	1,459,978
Outreach and other programs	<u>225,388</u>	<u>-</u>	<u>225,388</u>
Total program service expenses	<u>2,759,190</u>	<u>-</u>	<u>2,759,190</u>
Supporting services expenses			
Management and general	222,348	-	222,348
Fundraising	<u>165,167</u>	<u>-</u>	<u>165,167</u>
Total supporting services expenses	<u>387,515</u>	<u>-</u>	<u>387,515</u>
Total Expenses	<u>3,146,705</u>	<u>-</u>	<u>3,146,705</u>
Change in Net Assets	477,563	(276,848)	200,715
Net Assets - Beginning of year	<u>1,378,987</u>	<u>1,390,362</u>	<u>2,769,349</u>
Net Assets - End of year	<u>\$ 1,856,550</u>	<u>\$ 1,113,514</u>	<u>\$ 2,970,064</u>

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

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Education</u>	<u>Wildlife</u>	<u>Trails and restoration</u>	<u>Outreach and other programs</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 549,233	\$ 105,507	\$ 1,061,872	\$ 59,733	\$ 75,121	\$ 63,423	\$ 1,914,889
Payroll taxes	51,794	9,526	95,392	5,407	5,837	5,407	173,363
Contract support	21,343	87	23,952	76,006	-	-	121,388
Depreciation	-	-	-	-	2,332	-	2,332
Dues and subscriptions	2,363	1,001	2,805	1,211	6,461	1,718	15,559
Event costs	952	358	2,260	23,232	-	18,291	45,093
Employee benefits	37,113	19,128	42,107	24,681	12,225	-	135,254
Equipment	-	-	91,050	-	-	-	91,050
Insurance	-	-	-	-	14,674	-	14,674
Intern stipends	67,580	8,100	33,584	-	-	-	109,264
Membership dues	-	-	-	320	2,094	-	2,414
Merchant and bank charges	17	104	149	75	-	436	781
Miscellaneous	-	-	37	-	409	37	483
Postage and printing	-	77	-	1,058	2,071	5,125	8,331
Professional services	25,163	5,347	28,966	21,566	65,665	69,029	215,736
Payroll fees	1,676	629	1,940	858	1,456	-	6,559
Staff development	1,412	30	4,823	515	5,785	-	12,565
Supplies	18,135	17,174	53,230	6,943	21,962	1,234	118,678
Telephone	758	285	878	389	2,134	-	4,444
Transportation	122,684	-	11,890	68	-	-	134,642
Travel and conferences	493	5,755	5,043	3,326	4,122	467	19,206
	<u>\$ 900,716</u>	<u>\$ 173,108</u>	<u>\$ 1,459,978</u>	<u>\$ 225,388</u>	<u>\$ 222,348</u>	<u>\$ 165,167</u>	<u>\$ 3,146,705</u>

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

SANTA MONICA MOUNTAINS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Reconciliation of Change in Net Assets to Net Cash from Operating Activities

Change in net assets	\$	200,715
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization		2,332
Unrealized gain on investment		(96,014)
Change in operating assets and liabilities		
Contracts receivable		105,843
Accounts payable and accrued expenses		40,855
Accrued payroll		104,369
Deferred revenue		<u>(65,020)</u>
Net Cash Provided by Operating Activities		<u>293,080</u>
Cash Flows from Investing Activities		
Purchase of investments		<u>(84,129)</u>
Net Cash Used in Investing Activities		<u>(84,129)</u>
Net Change in Cash and Cash Equivalents		<u>208,951</u>
Cash and Cash Equivalents, beginning of year		<u>850,168</u>
Cash and Cash Equivalents, end of year	\$	<u>1,059,119</u>

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

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1: NATURE OF ACTIVITIES

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 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 mountains. The Fund’s objectives are organized around the following core program areas which are:

Education

The Fund delivers strategic education and workforce development programs that create pathways into conservation careers. The Fund provides funding for programming and transportation. The *Open Outdoors for Kids* program continues to connect youth with the natural world. This program brings approximately 25,000 fourth graders to the park each year to learn about plants, animals, and Native American heritage.

For college students, the Fund provides valuable opportunities to engage with NPS and gain practical experience in conservation and education. The *Youth Employment Mentoring* program places students in seasonal roles with NPS leadership.

Habitat Restoration and Trails

The Fund supports projects and programs that preserve the SMMNRA for all to explore for generations to come. The Seed Farm at Rancho Sierra Vista continued to serve as a vital site for learning and employment opportunities for local youth. The Seed Farm significantly expanded in 2024, producing tens of thousands of native plants for habitat recovery efforts across fire-damaged and climate-vulnerable areas of the mountains. This nursery boasts the *Oxnard Youth Ecologists (“OYE”)* program and the *Monarch and Milkweed program*. The *OYE* program provides valuable job skills and experience in ecological restoration, native seed propagation, and conservation leadership. The *Monarch and Milkweed* program remained a leading regional initiative. Youth participants helped cultivate over 55,000 native plants and distributed 30,000 milkweed plants across more than 100 zip codes, bolstering pollinator corridors across Los Angeles and Ventura counties.

The Liberty Canyon nursery reached full capacity in 2024, supporting the Wallis Annenberg Wildlife Crossing by restoring nearby wildlife corridors. Post-Woolsey Fire recovery continued, with over 100,000 trees planted and erosion control efforts carried out by restoration crews.

The Trail Crew maintained and restored over 500 miles of public trails, including post-fire recovery and weather-related damage mitigation.

Wildlife Research and Protection

The Fund supported wildlife research on mountain lions, deer, and red-legged frogs. Interns supported field research using satellite collars and wildlife camera traps, contributing to long-term studies on mountain lion migration and urban-wildlife conflict.

Community education included the Nature Neighbor program and Break the Poison Chain awareness campaign. The Fund supported key volunteer programs and cultural preservation at Satwiwa through youth-led interpretation and archaeological events.

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 archaeological research projects and cultural programming and interpretation at the Satwiwa Native American Indian Culture Center, developed in collaboration with Indigenous community members.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Cash, Cash Equivalents, and Restricted Cash

The Fund considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building project, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Investments

Investments are stated at fair value in accordance with ASC 820, Fair Value Measurement. Fair value is determined based on quoted market prices when available or through other observable inputs. Changes in fair value are reflected as investment income in the statements of activities. Investments are subject to market and credit risk. Management regularly evaluates the performance and risk profile of its investment holdings in accordance with the Fund's investment policy.

Investment income (including interest, dividends, and realized and unrealized gains and losses) is reported in the statement of activities as an increase or decrease in net assets without donor restrictions unless the use of the income is restricted by the donor. Investment income with donor-imposed restrictions is reported as an increase in net assets with donor restrictions.

Contracts Receivable

Contracts receivable consist of non-interest-bearing amounts due from both federal agencies and private foundations under cost-reimbursable agreements and grants. These receivables represent expenditures incurred by the Fund in accordance with the terms of federal cooperative agreements and grants, for which reimbursement has been requested but not yet received as of year-end.

Management assesses contracts receivable under ASC 326 using the current expected credit loss (CECL) model, considering historical collection experience, the nature of the counterparties, aging, and current and forecasted conditions. Based on the strong creditworthiness of U.S. federal agencies and consistent collection history, no allowance for credit losses was recorded as of December 31, 2024.

Contracts receivable amounted to \$407,516 and \$513,359 as of December 31, 2024 and 2023, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Fund capitalizes property and equipment additions over \$1,000 at cost, or, if donated, at their estimated fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in the statements of activities. Routine maintenance and repair costs that do not enhance the value or extend the useful lives of assets are expensed as incurred.

The Fund reviews the carrying values of capital assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2024.

Compensated Absences

Eligible employees may accrue vacation and sick leave based on length of service. At December 31, 2024, the accrued vacation balance was \$58,190. Accumulated sick leave benefits are not recognized as liabilities of the Fund as the rights to those benefits do not vest with the employee.

Revenue Recognition

Government grants are primarily cost-reimbursable cooperative agreements and contracts with federal agencies. Revenue is recognized as eligible expenses are incurred in accordance with the terms of each agreement. Amounts are billed through drawdown requests and recognized as revenue when the related reimbursable costs have been incurred.

Foundation and local government grants are evaluated to determine the appropriate timing of revenue recognition. Grants that contain conditions are not recognized as revenue until those conditions have been substantially met or waived. Unconditional grants are recognized when awarded or pledged, provided that collection is reasonably assured.

Contributions, including unconditional promises to give (pledges), are recognized as revenue in the period the promise is received. Contributions are recorded as with or without donor restrictions, depending on the existence and nature of any donor-imposed restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met.

Investment income is recorded as revenue when earned and includes interest, dividends, and realized and unrealized gains and losses. Investment income is reported as either without donor restrictions or with donor restrictions depending on the existence of donor stipulations.

Special events, merchandise sales, and other miscellaneous income is recognized when the related goods or services have been delivered or when the event has occurred.

Deferred revenue represents amounts received in advance for which the related revenue has not yet been earned. Deferred revenue primarily consists of federal award advances. No deferred revenue was recorded as of December 31, 2024. Deferred revenue totaled \$65,020 as of December 31, 2023.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless donor stipulations specify how donated assets must be used. The Fund recognizes the fair value of contributed services if such services 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 contributed. Contributions of tangible assets are recorded at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. No significant contributions of such goods or services were received during the year ended December 31, 2024.

Functional Allocation of Expenses

The costs of providing the various program services and activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses using time studies, weighted averages of program expenses to total expenditures, and management's best estimates. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include contract support, dues and subscriptions, professional services, salaries and wages, payroll taxes, payroll fees, supplies, telephone, travel and conferences, and event costs, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Fund is organized as a California not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, it is not obligated to pay federal or state corporate income taxes unless its unrelated business income as defined by the Internal Revenue Service Code, exceeds \$1,000. The Fund did not generate unrelated business income and is, therefore, not subject to federal or state corporate income taxes for the year ended December 31, 2024. In addition, the Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation under Section 509(a)(2).

The Fund has accounted for uncertainty in income taxes as required by the Accounting for Uncertainty in Income Taxes topic of the FASB Accounting Standards Codification. The Fund uses comprehensive model for recognizing, and measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates, and those differences could be material.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

The Fund manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Fund has not experienced losses in any of these accounts.

The Fund evaluates credit risk associated with accounts receivable in accordance with ASC 326, Financial Instruments – Credit Losses, using the current expected credit loss (CECL) model. Under this model, management estimates expected credit losses over the contractual life of the receivables, considering historical collection experience, the nature of the counterparties (primarily governmental agencies), the aging of outstanding balances, current economic conditions, and reasonable and supportable forecasts. Based on this evaluation, management determined that expected credit losses are negligible, and no allowance for credit losses has been recorded as of December 31, 2024.

Occupancy Arrangements

The Fund operates out of a small office located within a National Park Service facility. This space is provided without charge as part of the organization's collaborative relationship with the National Park Service. Given the informal nature and immaterial value of this arrangement, no lease asset, liability, or in-kind revenue or expense has been recognized in the accompanying financial statements.

Leases

The Fund determines whether an arrangement contains a lease at the inception of the contract. Right-of-use assets and related lease liabilities are recorded at the lease commencement date for leases with terms greater than 12 months. In accordance with ASC 842, the Fund has elected the short-term lease exemption policy, whereby leases with a lease term of 12 months or less, and that do not include a purchase option that is reasonably certain to be exercised, are not recorded on the statement of financial position. Instead, lease payments associated with these short-term leases are recognized as expense on a straight-line basis over the lease term. As of December 31, 2024, the Fund does not have any lease agreements, including short-term leases, that require recognition or disclosure under ASC 842. Accordingly, no lease-related assets, liabilities, or expenses are reported in the financial statements.

Subsequent Events

The Fund has evaluated subsequent events through May 12, 2025, the date the financial statements were available to be issued.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3: LIQUIDITY AND AVAILABILITY

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, 2024 for general expenditure reduced by amounts not available for general use because of donor imposed, board designated, and other restrictions are as follows:

Cash and cash equivalents	\$	1,059,119
Investments		1,792,392
Contributions receivable - current		<u>407,516</u>
Total	\$	<u><u>3,259,027</u></u>
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose or time restrictions		910,426
Restricted by donors into perpetuity		203,088
Board designated reserve and endowment		<u>8,883</u>
Total financial assets available to management for general expenditure within one year	\$	<u><u>2,136,630</u></u>

NOTE 4: CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The bank balances of cash, cash equivalents, and restricted cash at December 31, 2024 was \$1,049,343, \$604,296 of which was insured by Federal Deposit Insurance Corporation limits.

The following summarizes the Fund's cash, cash equivalents, and investments, along with the portion subject to donor restrictions:

Cash and cash equivalents	\$	1,059,119
Investments		<u>1,792,392</u>
Total cash and investments		2,851,511
Less: Amounts restricted by donors		<u>(1,113,514)</u>
Total unrestricted cash and investments	\$	<u><u>1,737,997</u></u>

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5: INVESTMENTS

Investment securities are reported in the financial statements at fair market value and consisted of the following at December 31, 2024:

Investments:		
Mutual Funds - U.S. Equity Securities	\$	535,615
Mutual Funds - International Equity Securities		452,501
Fixed Income Securities		711,557
Alternative investments		<u>92,719</u>
Total Investments	\$	<u><u>1,792,392</u></u>

The following schedule summarizes the investment activity reported in the statements of activities:

Interest and Dividends	\$	49,977
Realized and Unrealized Gains		96,015
Investment Fees		<u>(11,781)</u>
Net Investment Income	\$	<u><u>134,211</u></u>

NOTE 6: FAIR VALUE MEASUREMENTS

The Fund reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices observable for the asset, and market-corroborated inputs.
Level 3	Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

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: Open-ended, SEC-registered funds with daily quoted market prices. Shares are redeemable at published daily prices without restriction. These investments are classified within Level 1.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6: FAIR VALUE MEASUREMENTS (CONTINUED)

Fixed Income: Fixed income mutual funds are valued at the closing price reported on the active market on which the fund shares are traded. These investments are classified within Level 1 of the fair value hierarchy because they are traded in active markets and have readily observable prices.

Alternative Investments: Consist of fund-of-funds structures. Valuation is based on NAV as a practical expedient, as provided by the fund managers. These investments may be subject to redemption restrictions and are disclosed separately.

The following tables set forth by level, within the fair value hierarchy, the Fund's assets at fair value on a recurring basis as of December 31, 2024:

Assets at Fair Value as of December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Investments measured at NAV	<u>Total</u>
Mutual Funds:					
U.S. Equity Securities	\$ 535,615	\$ -	\$ -	\$ -	\$ 535,615
International Equity Securities	452,501	-	-	-	452,501
Fixed Income	711,557	-	-	-	711,557
Alternative investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,719</u>	<u>92,719</u>
Total assets at fair value	<u>\$ 1,699,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,719</u>	<u>\$ 1,792,392</u>

Investments measured at NAV represent approximately 5% of the Fund's total investments and are subject to varying liquidity terms depending on the underlying funds' structure.

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2024:

	<u>Useful Life</u>	
Equipment	5-7	\$ 19,174
Less: Accumulated Depreciation		<u>(17,815)</u>
Net Property and equipment		<u>\$ 1,359</u>

Depreciation expense totaled \$2,332 for the year ended December 31, 2024.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

Endowments:	
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:	
Education	\$ 118,413
Wildlife	<u>84,675</u>
Endowments Total	<u>\$ 203,088</u>
Subject to expenditure for a specified purpose:	
Programs:	
Education	\$ 516,338
Trails and Restoration	81,255
Wildlife	299,494
Outreach	<u>13,339</u>
Programs Total	<u>910,426</u>
Total net assets with donor restrictions	<u>\$ 1,113,514</u>

Net assets were released from restrictions by incurring expenses satisfying the purpose restrictions as follows:

Net assets released for a specified purpose:	
Programs:	
Education	\$ 401,735
Trails and Restoration	804,231
Wildlife	12,119
Outreach	<u>43,699</u>
Programs Total	<u>1,261,784</u>
Total net assets released from donor restrictions	<u>\$ 1,261,784</u>

NOTE 9: 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.

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.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9: ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS (CONTINUED)

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 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, 2024. 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, 2024. 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, 2024. The Yelda Trust endowments accumulated net earnings available is included in net assets with donor restrictions.

During the year ended December 31, 2024, the activity in the endowment funds are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 12,211	\$ 286,795	\$ 299,006
Investment income	193	4,416	4,609
Net appreciation (depreciation)	<u>401</u>	<u>9,157</u>	<u>9,558</u>
Endowment net assets, end of year	<u>\$ 12,805</u>	<u>\$ 300,368</u>	<u>\$ 313,173</u>

NOTE 10: REVENUE FROM CONTRACTING AGENCIES

The Fund receives funding through cost-reimbursable cooperative agreements with federal agencies, primarily the National Park Service, to support educational programming, habitat restoration, wildlife research, and community engagement activities within the Santa Monica Mountains National Recreation Area. Reimbursement is based on actual allowable costs incurred and is requested through periodic drawdowns in accordance with the terms of each agreement.

Revenue is recognized as qualifying expenditures are incurred, and any necessary adjustments to prior estimates are reflected in the period in which they become known. For the year ended December 31, 2024, approximately 55% of the Fund's total revenue was derived from one federal agency and one nonprofit partner under contract agreements.

NOTE 11: EMPLOYEE BENEFITS

The Fund does not sponsor a traditional retirement plan. Instead, it facilitates employee participation in the CalSavers Retirement Savings Program, a state-sponsored Roth IRA program. Eligible employees are automatically enrolled, with the option to adjust contribution levels or opt out. Contributions are made through payroll deductions, and the Fund does not provide matching contributions.

SUPPLEMENTAL INFORMATION

SANTA MONICA MOUNTAINS FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor and Number	Federal Expenditures
U.S. Department of the Interior			
National Park Services			
Youth and Veteran Organization Conservation Activities			
Habitat Restoration through Youth Education - Task Agreement P23AC00086	15.931		\$ 70,668
Youth Employment Development - Task Agreement P23AC00673	15.931		238,454
Education and Interpretation Internship - Task Agreement P23AC01356	15.931		124,375
Trail Network Support - Task Agreement P22AC01267	15.931		<u>164,334</u>
Total Youth and Veteran Organization Conservation Activities			<u>597,831</u>
Natural Resource Stewardship			
Wildlife Program Assistance for Research and Conservation Activities Task Agreement P21AC12026	15.944		150,456
Student Internships for Restoration - Task Agreement P22AC01309	15.944		229,671
Expanding Plant Materials for EcoRegion Task Agreement P24AC02083	15.944		<u>325,107</u>
Total Natural Resource Stewardship			<u>705,234</u>
Cultural Resource Management			
Cultural Resource Program Assistance for Archeology, History and Museum Collections - Task Agreement P20AC00161	15.946		160,361
Cultural Resource Management Task Agreement P23AC01434	15.946		17,385
Cultural Resource Program Assistance Task Agreement P24AC02540	15.946		<u>51,539</u>
Total Cultural Resource Management			<u>229,285</u>

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor and Number	Federal Expenditures
National Park Service Conservation, Protection, Outreach, and Education			
SMMF Education Coordinator - Task Agreement P22AC01319	15.954		40,251
Guest Host Program - Task Agreement P23AC00770	15.954		9,995
Youth Volunteers Restore Native Habitat and Control Invasive Species - Task Agreement P20AC00700	15.954		24,348
Trails Project Coordinator - Task Agreement P23AC00769	15.954		139,382
Film History Public Programming - Task Agreement P22AC00842	15.954		<u>5,222</u>
National Park Service Conservation, Protection, Outreach, and Education - Direct Awards	15.954		<u>219,198</u>
Monarchs in the City: Boosting Urban Biodiversity through Native Milkweed Donations	15.954	National Park Trust – NPS FY24 Challenge Cost Share	<u>24,500</u>
National Park Service Conservation, Protection, Outreach, and Education - Indirect Awards	15.954		<u>24,500</u>
Total National Park Service Conservation, Protection, Outreach, and Education			<u>243,698</u>
Total National Park Services			<u>1,776,048</u>
Natioanl Fish and Wildlife Foundation			
Fish and Wildlife Coordination Act			
Monarchs Waystations and Habitat at SMMNRA	15.670	National Fish and Wildlife Foundation – Grant #76610	<u>65,020</u>
Total National Fish and Wildlife Foundation			<u>65,020</u>
Total U.S. Department of Interior			<u>\$ 1,841,068</u>
Total Federal Expenditures			<u>\$ 1,841,068</u>

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the Organization's financial statements. The Organization uses the accrual basis of accounting as described in Note 1 to the financial statements.

Note 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Organization's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal regulations Part 200, Uniform Guidance Requirements of Cost Principles and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - INDIRECT COST RATE

The Organization has elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified ?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified ?	None reported
Type of auditor's report issued on compliance of major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	N/A
Identification of major programs:	
<u>ALN</u> <u>Name of Federal Program</u>	
15.944 Natural Resource Stewardship	
Dollar Threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	N/A

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Findings relating to the financial statements which are required to be reported in accordance with <i>Generally Accepted Government Auditing Standards</i>	No
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SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year Single Audits conducted; therefore, there are no prior year findings or questioned costs to report.	N/A
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**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FINANCIAL STATEMENT AUDIT

There were no financial statement findings from the December 31, 2024 audit.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no reportable compliance findings from the December 31, 2024 major Federal award program audit.

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION IV - SUMMARY OF PRIOR FINDINGS AND QUESTIONED COSTS

A compliance audit under the Uniform Guidance was not required or conducted in the prior year. However, a financial statement audit was conducted for that period, and no findings or questioned costs were reported. Accordingly, there are no prior audit findings or questioned costs to report for Uniform Guidance purposes.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Santa Monica Mountains Fund
1 Baxter Way, Suite 180
Thousand Oaks, CA 91362

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Santa Monica Mountains Fund (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink, appearing to read "Nelson & Associates CPAs". The signature is written in a cursive style.

Elk Grove, California
May 12, 2025



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Santa Monica Mountains Fund
1 Baxter Way, Suite 180
Thousand Oaks, CA 91362

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santa Monica Mountains Fund's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Santa Monica Mountains Fund's major federal programs for the year ended December 31, 2024. Santa Monica Mountains Fund's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Santa Monica Mountains Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Santa Monica Mountains Fund's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Santa Monica Mountains Fund's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Santa Monica Mountains Fund's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Santa Monica Mountains Fund's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Santa Monica Mountains Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Monica Mountains Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Monica Mountains Fund' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

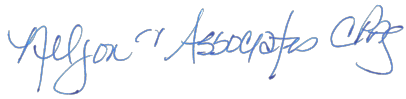
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Nelson & Associates CPA". The signature is written in a cursive, flowing style.

Elk Grove, California
May 12, 2025