
SANTA MONICA MOUNTAINS FUND



SANTA MONICA
MOUNTAINS FUND

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025 and 2024

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SANTA MONICA MOUNTAINS FUND
TABLE OF CONTENTS
DECEMBER 31, 2025 and 2024

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8 - 9
Notes to the Financial Statements	10 - 18
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards	19 - 21
Schedule of Current Year Findings and Questioned Costs	22 - 23
Schedule of Prior Year Findings and Questioned Costs	24
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 <i>Government Auditing Standards</i>	25 - 26
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	27 - 29



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 statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for years 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2026, 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 26, 2026

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents (Note 1)	\$ 1,291,119	\$ 1,059,119
Investments (Note 4, 5)	2,917,299	1,792,392
Grants receivable (Note 2)	467,622	407,516
Property and equipment	<u>-</u>	<u>1,359</u>
Total Assets	<u>\$ 4,676,040</u>	<u>\$ 3,260,386</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 70,010	\$ 73,448
Accrued payroll and related expenses	<u>123,047</u>	<u>216,874</u>
Total Liabilities	<u>193,057</u>	<u>290,322</u>
Net Assets		
Without donor restrictions (Note 2)	2,887,969	1,856,550
With donor restrictions (Note 6)	<u>1,595,014</u>	<u>1,113,514</u>
Total Net Assets	<u>4,482,983</u>	<u>2,970,064</u>
Total Liabilities and Net Assets	<u>\$ 4,676,040</u>	<u>\$ 3,260,386</u>

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

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Donations and contributions	\$ 336,394	\$ 16,258	\$ 352,652
Federal grants	3,195,729	-	3,195,729
Corporate and foundation grants	346,000	1,827,216	2,173,216
Net investment return (Note 4)	222,338	18,964	241,302
In-kind donations (Note 9)	20,115	-	20,115
Other revenue	1,357	-	1,357
Special event revenue	24,743	-	24,743
Total revenue, support, and gains	4,146,676	1,862,438	6,009,114
Net assets released from restrictions	1,380,938	(1,380,938)	-
Total revenue, support, and gains	5,527,614	481,500	6,009,114
EXPENSES			
Program services expenses			
Education	792,224	-	792,224
Wildlife	389,502	-	389,502
Trails and restoration	2,524,957	-	2,524,957
Outreach and other programs	334,484	-	334,484
Total program service expenses	4,041,167	-	4,041,167
Supporting services expenses			
Fundraising	143,902	-	143,902
Management and general	299,144	-	299,144
Cost of direct benefits to donors	11,982	-	11,982
Total supporting services expenses	455,028	-	455,028
Total Expenses	4,496,195	-	4,496,195
Change in Net Assets	1,031,419	481,500	1,512,919
Net Assets - Beginning of year	1,856,550	1,113,514	2,970,064
Net Assets - End of year	\$ 2,887,969	\$ 1,595,014	\$ 4,482,983

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
Federal grants	1,841,068	-	1,841,068
Corporate and foundation grants	28,200	932,400	960,600
Net investment return (Note 4)	120,638	13,573	134,211
In-kind donations (Note 9)	9,881	-	9,881
Other revenue	13,365	-	13,365
Total revenue, support, and gains	2,362,484	984,936	3,347,420
Net assets released from restrictions	1,261,784	(1,261,784)	-
Total revenue, support, and gains	3,624,268	(276,848)	3,347,420
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	225,388	-	225,388
Total program service expenses	2,759,190	-	2,759,190
Supporting services expenses			
Fundraising	165,167	-	165,167
Management and general	222,348	-	222,348
Total supporting services expenses	387,515	-	387,515
Total Expenses	3,146,705	-	3,146,705
Change in Net Assets	477,563	(276,848)	200,715
Net Assets - Beginning of year	1,378,987	1,390,362	2,769,349
Net Assets - End of year	\$ 1,856,550	\$ 1,113,514	\$ 2,970,064

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, 2025**

	<u>Education</u>	<u>Wildlife</u>	<u>Trails and restoration</u>	<u>Outreach and other programs</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Cost of Direct Benefits to Donors</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 554,892	\$ 112,485	\$ 1,925,912	\$ 210,800	\$ 40,729	\$ 178,293	\$ -	\$ 3,023,111
Bad debt expense	-	10	-	-	-	-	-	10
Advertising	-	-	-	10,955	6,990	25	-	17,970
Contract support	30,101	8,314	109,266	45,825	-	-	-	193,506
Depreciation	-	-	-	-	1,360	-	-	1,360
Dues and subscriptions	333	679	863	400	10,951	20,691	-	33,917
Event costs	-	-	-	11,875	1,578	39	-	13,492
Equipment	-	-	11,527	-	-	-	-	11,527
Grants	-	200,000	222,860	-	-	-	-	422,860
Insurance	-	-	-	-	-	5,153	-	5,153
Intern stipends	63,920	44,243	21,900	3,840	-	-	-	133,903
In-kind expenses (Note 9)	-	-	-	-	-	20,115	-	20,115
Merchant and bank charges	-	-	-	-	-	872	-	872
Postage and printing	-	-	-	1,397	8,595	533	-	10,525
Professional services	37,092	14,982	52,034	30,990	72,797	49,825	-	257,720
Payroll fees	3,086	3,603	7,791	1,609	-	-	-	16,089
Supplies	12,877	1,696	114,023	8,731	221	5,028	-	142,576
Telephone	191	224	484	100	-	372	-	1,371
Transportation	83,249	-	-	-	-	-	-	83,249
Travel and conferences	4,047	3,206	57,668	6,695	597	10,568	-	82,781
Staff development	2,436	60	629	1,267	27	4,945	-	9,364
Other	-	-	-	-	57	2,685	-	2,742
Cost of direct benefits to donors	-	-	-	-	-	-	11,982	11,982
Total	<u>\$ 792,224</u>	<u>\$ 389,502</u>	<u>\$ 2,524,957</u>	<u>\$ 334,484</u>	<u>\$ 143,902</u>	<u>\$ 299,144</u>	<u>\$ 11,982</u>	<u>\$ 4,496,195</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>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 638,140	\$ 134,161	\$ 1,199,371	\$ 89,821	\$ 68,830	\$ 93,183	\$ 2,223,506
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	1,718	6,461	15,559
Event costs	952	358	2,260	23,232	18,291	-	45,093
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	-	37	409	483
Postage and printing	-	77	-	1,058	5,125	2,071	8,331
Professional services	25,163	5,347	28,966	21,566	69,029	65,665	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	1,234	21,962	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	467	4,122	19,206
Total	<u>\$ 900,716</u>	<u>\$ 173,108</u>	<u>\$ 1,459,978</u>	<u>\$ 225,388</u>	<u>\$ 165,167</u>	<u>\$ 222,348</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, 2025

Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities	<u>2025</u>	<u>2024</u>
Change in net assets	\$ 1,512,919	\$ 200,715
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,360	2,332
Unrealized gain on investment	(123,231)	(96,014)
Change in operating assets and liabilities		
Grants receivable	(60,106)	105,843
Accounts payable and accrued expenses	(3,437)	40,855
Accrued payroll	(93,828)	104,369
Refundable advances	<u>-</u>	<u>(65,020)</u>
Net Cash Provided by Operating Activities	<u>1,233,677</u>	<u>293,080</u>
Cash Flows from Investing Activities		
Purchase of investments	<u>(1,001,677)</u>	<u>(84,129)</u>
Net Cash Used in Investing Activities	<u>(1,001,677)</u>	<u>(84,129)</u>
Net Change in Cash and Cash Equivalents	<u>232,000</u>	<u>208,951</u>
Cash and Cash Equivalents, beginning of year	<u>1,059,119</u>	<u>850,168</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,291,119</u>	<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, 2025**

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 national and state parklands in the Santa Monica Mountains by supporting the National Park Service (“NPS”) and California State Parks (“CSP”). The Fund achieves this mission by partnering with NPS and CSP 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.

Education

The Fund delivers strategic education and workforce development programs that create pathways into conservation careers. The Fund provides funding for programming, transportation, and field-based learning experiences that connect young people to the Santa Monica Mountains.

The Open Outdoors for Kids program continues to connect youth with the natural world. This program brings approximately 25,000 fourth graders to the parklands each year to learn about plants, animals, ecosystems, and Native American heritage.

For college students and young adults, the Fund provides opportunities to work alongside NPS staff and conservation professionals. Youth workforce programs place students and interns in seasonal roles that support interpretation, restoration, science, and education programs while providing hands-on experience and mentorship that prepares participants for careers in environmental stewardship and public lands management.

Habitat Restoration and Trails

The Fund supports projects and programs that preserve the Santa Monica Mountains National Recreation Area (“SMMNRA”) for public access and ecological resilience. The Seed Farm at Rancho Sierra Vista continues to serve as a vital site for ecological restoration, workforce development, and learning opportunities for local youth. In 2025, the nursery continued expanding its capacity to produce native plants used in habitat restoration and climate resilience projects across the mountains and surrounding communities.

The nursery program includes the Oxnard Youth Ecologists (“OYE”) workforce program and the Monarch and Milkweed initiative. The OYE program provides youth with job skills and hands-on experience in ecological restoration, native seed collection and propagation, and conservation leadership. Youth participants helped cultivate tens of thousands of native plants and supported the distribution of milkweed plants across Los Angeles and Ventura counties to strengthen pollinator habitat and regional wildlife corridors.

The Liberty Canyon nursery continued operating at full capacity to support restoration work associated with the Wallis Annenberg Wildlife Crossing and surrounding habitat connectivity projects.

Restoration crews also continued post fire recovery efforts, including planting native trees and shrubs and implementing erosion control measures in landscaped affected by the Woolsey, Palisades, and other fires.

Wildlife Research and Protection

The Fund supports wildlife research and monitoring programs conducted in partnership with the NPS, CSP, and collaborating scientists. Research initiatives include long-term studies of mountain lions, mule deer, and federally listed California red-legged frogs.

Interns and field technicians assist with wildlife monitoring through satellite tracking, camera traps, and field surveys that help scientists better understand wildlife movement patterns, habitat connectivity, and the impacts of urban development on native species.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1: NATURE OF ACTIVITIES (CONTINUED)

Community education programs also support wildlife protection through initiatives such as the Nature Neighbor program and the Break the Poison Chain campaign, which raise awareness about rodenticide impacts on wildlife. The Fund also supports volunteer programs and cultural interpretation activities at the Satwiwa Native American Indian Culture Center, where youth and community members participate in educational and cultural events that celebrate the region's Indigenous heritage.

Outreach and Other Special Initiatives

The Fund provides annual support for volunteer programs that assist the NPS, CSP, and partner park organizations throughout the Santa Monica Mountains. These programs include the Mounted Volunteer Patrol, Mountain Bike Unit, National Trails Day events, habitat restoration volunteer days, and other stewardship activities that engage community members in caring for public lands.

The Fund also supports cultural preservation and public engagement initiatives, including archaeological research projects and educational programming at the Satwiwa Native American Indian Culture Center developed in collaboration with Indigenous community members. These initiatives help ensure that the cultural, historical, and ecological significance of the Santa Monica Mountains is preserved and shared with future generations.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The financial statements have been prepared using the accrual basis of accounting and accordingly include all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

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 projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. The Fund had no restricted cash for the years ended December 31, 2025 and 2024, respectively.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Grants Receivable

Grants receivable represent amounts due from private foundations and federal and local governmental agencies under cost-reimbursable grant agreements. Grants receivable are recorded at amounts management expects to collect, generally based on amounts billed in accordance with the terms of the respective grant agreements. Based on management's evaluation of historical collection experience, the credit quality of governmental agencies, and current conditions, management believes uncollectible amounts related to grants receivable are not significant. Accordingly, no allowance for uncollectible grants receivable has been recorded.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 years ended December 31, 2025 and 2024.

Compensated Absences

Eligible employees may accrue vacation and sick leave based on length of service. At December 31, 2025 and 2024, the accrued vacation balance was \$81,468 and \$58,190, respectively. 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

Federal grants consists primarily of task agreements issued under cost-reimbursable cooperative agreements with the NPS. Because these agreements contain both qualifying allowable-cost and compliance requirements and a right of return or release, they are considered conditional. Grant revenue is recognized as the Fund incurs qualifying costs and meets the other grant conditions such that the NPS, as the governmental resource provider, no longer has a right to withhold or recoup the related amounts. Under these arrangements, the Fund requests reimbursement after incurring eligible costs; amounts earned but not yet received are reported as grants receivable.

Foundation and local government grants are evaluated to determine whether they are conditional or unconditional and, accordingly, the appropriate timing of revenue recognition. Grants and awards that contain donor-imposed conditions are recognized as revenue only when the related conditions have been substantially met or explicitly waived. Grants determined to be unconditional are recognized as revenue when awarded or pledged, provided collectability is reasonably assured.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Unconditional contributions are recognized as revenue at the date of donation or when received. Unconditional contributions are reported as net assets with or without donor restrictions based on the existence and nature of those restrictions. Conditional contributions are not recognized as revenue until the related conditions have been substantially met. Should cash be received before conditions have been met, the Organization reports it as a refundable advance.

Revenue from special events, merchandise sales, and other miscellaneous sources is recognized when the related event occurs or when the associated goods or services have been provided.

In-kind Contributions

Contributed nonfinancial assets consist primarily of donated office space provided by a federal agency and are recorded at estimated fair value at the date received. The Fund values donated office space based on estimated market rental rates for comparable facilities in the surrounding area. Such amounts are recognized as contribution revenue and the related occupancy expense in the accompanying consolidated financial statements. See Note 9. In addition to contributed nonfinancial assets recognized in the consolidated financial statements, volunteers contribute significant amounts of time to support the Funds programs and operations. However, the value of these contributed services is not recognized because the services do not meet the recognition criteria prescribed by generally accepted accounting principles.

Functional Allocation of Expenses

The costs of providing the various program services and activities have been summarized on a functional basis in the Statements of Activities and the Statements 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, employee benefits, 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 years ended December 31, 2025 and 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). Although none are currently in progress, fiscal years after 2022 remain open for examination by the IRS and Franchise Tax Board.

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 years. Actual results could differ from those estimates, and those differences could be material.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

Deposit concentration risk is managed by maintaining cash, cash equivalents, and investments with financial institutions and brokerage firms that management believes to be creditworthy. Cash balances may at times exceed federally insured limits. Accounts at insured institutions are covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per institution, for each account ownership category. Amounts held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) up to applicable limits. As of December 31, 2025, the Fund held cash, cash equivalents totaling \$1,305,000 of which approximately \$320,468 was insured by FDIC coverage limits. As of December 31, 2024, the Fund held cash, cash equivalents totaling \$1,049,343 of which approximately \$604,296 was insured by FDIC coverage limits. The Fund has not experienced any losses related to these balances.

Subsequent Events

The Fund has evaluated subsequent events through May 26, 2026, the date the financial statements were available to be issued.

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, 2025 for general expenditure reduced by amounts not available for general use because of donor imposed, board designated, and other restrictions are as follows:

	2025	2024
Cash and cash equivalents	\$ 1,291,119	\$ 1,059,119
Investments	2,917,299	1,792,392
Grants receivable	467,622	407,516
Total	\$ 4,676,040	\$ 3,259,027
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose or time restrictions	1,391,926	910,425
Restricted by donors in perpetuity	203,088	203,088
Board designated reserve and endowment	8,883	8,883
Total financial assets available to management for general expenditure within one year	\$ 3,072,143	\$ 2,136,631

The Fund manages its available financial assets to support current operations and maintains sufficient resources to meet obligations as they come due.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4: INVESTMENTS

Investment securities are reported in the financial statements consisted of the following at December 31, 2025 and 2024:

Investments:	<u>2025</u>	<u>2024</u>
U.S. Equity Securities	\$ 349,710	\$ -
Mutual Funds	1,476,473	988,116
Fixed Income Securities	<u>983,989</u>	<u>711,557</u>
Investments at Fair Market Value	2,810,172	1,699,673
Certificates of Deposit	107,127	-
Alternative investments	<u>-</u>	<u>92,719</u>
Total Investments	<u>\$ 2,917,299</u>	<u>\$ 1,792,392</u>

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

	<u>2025</u>	<u>2024</u>
Interest and Dividends	\$ 133,381	\$ 49,977
Realized and Unrealized Gains	123,231	96,015
Investment Fees	<u>(15,310)</u>	<u>(11,781)</u>
Net Investment Return	<u>\$ 241,302</u>	<u>\$ 134,211</u>

NOTE 5: 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.

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

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:

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the Fund's securities are classified within Level 1 of the fair value hierarchy because they have readily determinable fair values based on quoted prices or daily redemption values in active markets.

Investments as of December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Equity Securities	\$ 349,710	\$ -	\$ -	\$ 349,710
Mutual Funds	1,476,473	-	-	1,476,473
Fixed Income Securities	<u>983,989</u>	<u>-</u>	<u>-</u>	<u>983,989</u>
Total investments	<u>\$ 2,810,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,810,172</u>

Investments as of December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 988,116	\$ -	\$ -	\$ 988,116
Fixed Income Securities	<u>711,557</u>	<u>-</u>	<u>-</u>	<u>711,557</u>
Total investments	<u>\$ 1,699,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,699,673</u>

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Endowments:		
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Education	\$ 118,413	\$ 118,413
Wildlife	84,675	84,675
Endowments Total	\$ 203,088	\$ 203,088
Subject to expenditure for a specified purpose:		
Programs:		
Education	\$ 633,601	\$ 516,338
Trails and Restoration	169,977	81,255
Wildlife	496,399	299,494
Outreach	91,949	13,339
Programs Total	1,391,926	910,426
Total net assets with donor restrictions	\$ 1,595,014	\$ 1,113,514

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

	2025	2024
Net assets released for a specified purpose:		
Programs:		
Education	\$ 414,314	\$ 401,735
Trails and Restoration	641,117	804,231
Wildlife	286,511	12,119
Outreach	38,996	43,699
Programs Total	1,380,938	1,261,784
Total net assets released from donor restrictions	\$ 1,380,938	\$ 1,261,784

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7: ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS

The Fund’s endowment consists of donor-restricted endowment funds and funds designated by the Board to function as endowments. In accordance with U.S. GAAP, those net assets are classified based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the California version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring preservation of the fair value of original donor-restricted gifts, unless explicit donor stipulations provide otherwise. Accordingly, net assets with donor restrictions include:

1. The original value of gifts donated to the permanent endowment,
2. Subsequent contributions to the permanent endowment, and
3. Accumulations required to be maintained in perpetuity under donor agreements.

Amounts earned above these required balances remain classified as net assets with donor restrictions until appropriated for expenditure by the Board in accordance with UPMIFA.

The Board determines annual endowment spending after considering factors such as budgetary needs, investment performance, available resources, and general economic conditions.

The Fund maintains one board-designated endowment and two donor-restricted endowments:

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, 2025 and 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, 2025 and 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, 2025 and 2024. The Yelda Trust endowments accumulated net earnings available is included in net assets with donor restrictions.

As of December 31, 2025, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Board designated endowment funds	\$ 8,883	\$ -	\$ 8,883
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	203,088	203,088
Accumulated investment gains (losses)	<u>4,753</u>	<u>70,505</u>	<u>75,258</u>
Total	<u>\$ 13,636</u>	<u>\$ 273,593</u>	<u>\$ 287,229</u>

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7: ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS (CONTINUED)

As of December 31, 2024, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Board designated endowment funds	\$ 8,883	\$ -	\$ 8,883
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	203,088	203,088
Accumulated investment gains (losses)	<u>3,922</u>	<u>97,280</u>	<u>101,202</u>
Total	<u>\$ 12,805</u>	<u>\$ 300,368</u>	<u>\$ 313,173</u>

From time to time, certain donor restricted endowment funds may have fair values less than the amounts required to be maintained by donors or by law (underwater endowments). The Fund has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2025 and 2024, none of the Fund's donor-restricted endowment funds were underwater.

Investment and Spending Policies

The Fund invests endowment assets to provide a stable and sustainable source of support for its mission while preserving the long-term purchasing power of the endowment. Investments are managed using a diversified, total-return approach intended to support annual spending needs and maintain endowment principal over time.

Spending from endowment funds is authorized by the Board in accordance with UPMIFA. When appropriated for expenditure, donor-restricted amounts are reclassified to net assets without donor restrictions once any applicable purpose or time restrictions have been satisfied.

During the year ended December 31, 2025, 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	\$ 12,805	\$ 300,368	\$ 313,173
Investment income	454	10,377	10,831
Net appreciation (depreciation)	377	8,618	8,995
Transfer into (out of) endowment	<u>-</u>	<u>(45,770)</u>	<u>(45,770)</u>
Endowment net assets, end of year	<u>\$ 13,636</u>	<u>\$ 273,593</u>	<u>\$ 287,229</u>

**SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7: ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS (CONTINUED)

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 8: CONCENTRATION OF REVENUE

The Fund derives a significant portion of its revenue and support from cost-reimbursable cooperative agreements with the NPS. For the years ended December 31, 2025 and 2024, approximately 53% and 55%, respectively, of total revenue and all grants receivable was generated from agreements with the NPS. Because of this concentration, a significant reduction in funding from the NPS could have a material effect on the Fund's programs and activities.

NOTE 9: CONTRIBUTED FINANCIAL ASSETS

The Fund received contributed office space from the NPS during the year ended December 31, 2025. The donated space was used to support programmatic and administrative activities. Contributed office space is recognized as contribution revenue and expense at estimated fair value based on comparable rental rates for similar commercial space in the surrounding area. The value of contributed office space recognized during the year ended December 31, 2025 was \$20,115.

NOTE 10: EMPLOYEE BENEFITS

The Fund 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, 2025

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		\$ 56,089
Park Stewardship and Maintenance Initiative - Task Agreement P25AC00801	15.931		57,722
Youth Employment Development - Task Agreement P23AC00673	15.931		261,163
Education and Interpretation Internship - Task Agreement P23AC01356	15.931		134,710
Trail Network Support - Task Agreement P22AC01267	15.931		<u>120,456</u>
Total Youth and Veteran Organization Conservation Activities			<u>630,140</u>
Natural Resource Stewardship			
Wildlife Program Assistance for Research and Conservation Activities Task Agreement P21AC12026	15.944		117,532
Post Fire Invasive Plant Control and Restoration- Task Agreement P25AC00161	15.944		770,498
Expanding Plant Materials for EcoRegion Task Agreement P24AC02083	15.944		979,005
Post Fire Invasive Plant Control and Restoration Task Agreement P25AC00450	15.944		<u>117,703</u>
Total Natural Resource Stewardship (Cash)	15.944		1,984,738
Expanding Plant Materials for EcoRegion Task Agreement P24AC02083 (non cash)	15.944		<u>20,115</u>
Total Natural Resource Stewardship			<u>2,004,853</u>

SANTA MONICA MOUNTAINS FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor and Number	Federal Expenditures
Cultural Resource Management			
Exhibit Specialist - Task Agreement P25AC02100	15.946		25,148
Cultural Resource Management Task Agreement P23AC01434	15.946		56,664
Cultural Resource Program Assistance Task Agreement P24AC02540	15.946		<u>235,505</u>
Total Cultural Resource Management			<u>317,317</u>
National Park Service Conservation, Protection, Outreach, and Education			
SMMF Education Coordinator - Task Agreement P22AC01319	15.954		27,216
Guest Host Program - Task Agreement P23AC00770	15.954		7,992
Ed and Interp Visitor Services Engagement - Task Agreement P25AC01399	15.954		35,397
Trails Project Coordinator - Task Agreement P23AC00769	15.954		182,900
Monitoring, Climate and Sci Comm Support - Task Agreement P24AC02556	15.954		<u>10,029</u>
National Park Service Conservation, Protection, Outreach, and Education - Direct Awards	15.954		<u>263,534</u>
Total National Park Service Conservation, Protection, Outreach, and Education			<u>263,534</u>
Total National Park Services			<u>3,215,844</u>
Total Federal Expenditures			<u>\$ 3,215,844</u>

SANTA MONICA MOUNTAINS FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal activity of Santa Monica Mountains Fund (the Fund) for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the 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"). Because the Schedule presents only a selected portion of the operations of the Fund, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Fund.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The Fund has elected to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - NONCASH FEDERAL ASSISTANCE

During the year ended December 31, 2025, the Fund received noncash federal assistance valued at \$20,115 under the Natural Resource Stewardship Program (Assistance Listing Number 15.944). This assistance was provided through cooperative agreement P22AM00768 with the U.S. Department of the Interior, NPS, and is included in the Schedule of Expenditures of Federal Awards at its estimated fair value. Additional details regarding the nature of these noncash services are disclosed in Note 9 to the financial statements.

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	Yes
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	\$1,000,000
Auditee qualified as low-risk auditee?	No

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

Findings and questioned costs for Federal Awards, which includes audit findings and defined in section 200.516 of the Uniform Guidance	Yes
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SANTA MONICA MOUNTAINS FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDINGS AND QUESTIONED COSTS – REPORTING PACKAGE NOT SUBMITTED BY REQUIRED DEADLINE

2025-001 **Criteria or Specific Requirement:** 2 CFR 200.512 requires auditees to submit the audit reporting package and data collection form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period.

Condition: The Fund’s audit reporting package and data collection form were not submitted to the Federal Audit Clearinghouse within the required timeframe.

Context: The audit for the year ended December 31, 2024 was completed timely; however, the related reporting package and data collection form were submitted to the Federal Audit Clearinghouse after the required submission deadline.

Effect: This condition represents a deficiency in internal control over compliance related to the timely submission of the audit reporting package and data collection form in accordance with 2 CFR 200.512(a).

Cause: This was the Fund’s first year undergoing a Single Audit. Processes related to Federal Audit Clearinghouse reporting requirements and submission timelines were still being established during implementation of the Single Audit requirements.

Repeat: No

Auditor’s Recommendation: We recommend procedures continue to be refined to support timely Federal Audit Clearinghouse submissions and compliance with applicable Single Audit reporting requirements.

Views of Responsible Officials: The Fund has developed processes intended to support timely submission of future Single Audit reporting packages and data collection forms in accordance with applicable reporting requirements.

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

SECTION IV - SUMMARY OF PRIOR FINDINGS AND QUESTIONED COSTS

There were no financial statement findings reported in the audit for the year ended December 31, 2024. As a result, there were no prior findings requiring follow-up or corrective action in the current year.



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, 2025, 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 26, 2026.

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.

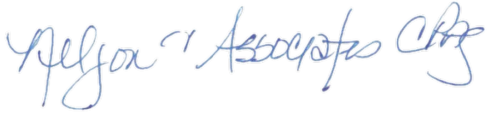
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 that reads "Nelson & Associates CPA". The signature is written in a cursive, flowing style.

Elk Grove, California
May 26, 2026



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, 2025. 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, 2025.

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's 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Santa Monica Mountains Fund's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Santa Monica Mountains Fund's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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.

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Santa Monica Mountains Fund's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Santa Monica Mountains Fund's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 CPAs". The signature is written in a cursive, flowing style.

Elk Grove, California
May 26, 2026