



SANTA MONICA MOUNTAINS FUND

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2022

**FARBER HASS HURLEY LLP
CERTIFIED PUBLIC ACCOUNTANTS**

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SANTA MONICA MOUNTAINS FUND
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Santa Monica Mountains Fund

Opinion

We have audited the accompanying financial statements of Santa Monica Mountains Fund (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Santa Monica Mountains Fund as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Monica Mountains Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Monica Mountains Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Contract Revenue on page 18 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Farber Hass Hurley LLP

Chatsworth, California
April 28, 2023

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,309,088
Investments	1,274,418
Pledges Receivable, net of allowance	10,000
Contracts Receivable	39,187
Other Current Assets	1,010
 Total Current Assets	 2,633,703

NON-CURRENT ASSETS

Property and Equipment, net of accumulated depreciation	6,024
 Total Non-Current Assets	 6,024
 Total Assets	 \$ 2,639,727

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 28,151
Accrued Payroll and Related Expenses	85,799
 Total Current Liabilities	 113,950

NET ASSETS

Without Donor Restrictions	1,416,049
With Donor Restrictions	1,109,728
 Total Net Assets	 2,525,777
 Total Liabilities and Net Assets	 \$ 2,639,727

See accompanying notes to the financial statements.

SANTA MONICA MOUNTAINS FUND
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Donations and Contributions	\$ 68,206	\$ 72,433	\$ 140,639
Grants	436,705	250,290	686,995
Contract Revenue	618,004	-	618,004
Investment Income and Depreciation, net	(281,046)	(46,257)	(327,303)
Sponsorships	22,590	-	22,590
In-Kind Contributions	1,463	-	1,463
Other Revenue	21,541	-	21,541
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	887,463	276,466	1,163,929
Special Events Ticket Sales	83,802	11,608	95,410
Less Direct Expenses	(83,802)	-	(83,802)
	<hr/>	<hr/>	<hr/>
Net Special Events	-	11,608	11,608
Net Assets Released from Restrictions	1,376,715	(1,376,715)	-
	<hr/>	<hr/>	<hr/>
Total Revenue, Support, and Reclassifications	2,264,178	(1,088,641)	1,175,537
EXPENSES			
Program Services	2,153,602	-	2,153,602
Management and General	151,053	-	151,053
Fundraising	109,138	-	109,138
	<hr/>	<hr/>	<hr/>
Total Expenses	2,413,793	-	2,413,793
Changes in Net Assets	(149,615)	(1,088,641)	(1,238,256)
NET ASSETS - Beginning of Year	<hr/>	<hr/>	<hr/>
	1,565,664	2,198,369	3,764,033
NET ASSETS - End of Year	<hr/>	<hr/>	<hr/>
	\$ 1,416,049	\$ 1,109,728	\$ 2,525,777

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Education	Wildlife	Trails and Restoration	Outreach and Other Programs	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	\$ 324,124	\$ 36,233	\$ 546,331	\$ 65,310	\$ 971,998	\$ 65,579	\$ 59,156	\$ 1,096,733
Taxes - Payroll	29,760	3,212	45,105	5,492	83,569	9,593	289	93,451
Bad Debt Expense	-	-	-	-	-	-	5,000	5,000
Bank Service Charges	8	406	5,353	2	5,769	179	2,533	8,481
Contract Support	30,144	26,642	28,670	23,549	109,005	-	440	109,445
Depreciation	-	-	-	-	-	-	972	972
Equipment Purchases Donated	-	-	69,495	-	69,495	-	-	69,495
Grants and Gifts	-	-	500,000	-	500,000	-	-	500,000
Insurance	25,792	234	57,471	416	83,913	6,588	64	90,565
Intern Stipends	34,406	38,030	30,957	-	103,393	1,080	-	104,473
Membership dues	-	-	-	-	-	903	5	908
Miscellaneous	-	110	64	50	224	9,510	5,001	14,735
Postage and Printing	-	-	344	309	653	676	7,298	8,627
Professional Services	1,448	1,060	1,949	975	5,432	40,878	24,402	70,712
Supplies	27,180	1,920	138,780	6,015	173,895	8,714	3,700	186,309
Telephone	4	-	-	-	4	2,521	-	2,525
Transportation	34,520	-	-	-	34,520	-	-	34,520
Travel and Conferences	854	50	8,287	2,541	11,732	4,832	278	16,842
Total Expenses	\$ 508,240	\$ 107,897	\$ 1,432,806	\$ 104,659	\$ 2,153,602	\$ 151,053	\$ 109,138	\$ 2,413,793

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ (1,238,256)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Depreciation	972
Decrease in Fair Value of Investments	347,683
Reserve for Uncollectible Pledges	5,000
Contribution of stock received	(104)
Changes in Assets - (Increase)/Decrease:	
Contributions and Grants Receivable	502,427
Contracts Receivable	145,314
Pledges Receivable	11,000
Other Current Assets	8,662
Changes in Liabilities - Increase/(Decrease):	
Accounts Payable and Accrued Expenses	6,082
Accrued Payroll and Related Expenses	3,153
Net Cash Used in Operating Activities	(208,067)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Capitalized Software	(6,995)
Purchases of Investments	(29,083)
Proceeds from Sale of Investments	9,130
Net Cash Used in Investing Activities	(26,948)
Net Decrease in Cash and Cash Equivalents	(235,015)

CASH and CASH EQUIVALENTS - Beginning of Year 1,544,103

CASH and CASH EQUIVALENTS - End of Year \$ 1,309,088

SUPPLEMENTAL DISCLOSURES

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

See accompanying notes to the financial statements.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - NATURE OF THE ORGANIZATION

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

Education: The Fund facilitates strategic education initiatives designed to serve our local youth through multiple educational, programming and internship opportunities. The Fund provides funding for programming and transportation. The Fund’s *Open Outdoors for Kids* program brings approximately 25,000 fourth graders to the SMMNRA to enjoy a day in the park to learn about plants, animals, and Native American heritage. For older youth and first-generation college students, the Fund offers paid internships to work with NPS leadership who act as mentors and offer firsthand experience in public land careers. In the summer, the *Santa Monica (“SAMO”) Youth* program brings college to the SMMNRA for a youth mentoring journey with NPS rangers. The Fund also employs SAMO Youth alumni as junior leaders to support the SAMO Youth program and some college students are promoted to year-long mentorship employment opportunities to work with NPS leadership. The Fund’s *Oxnard Youth Ecologists (“OYE”)* are Latinx high schoolers from the nearby areas who learn habitat restoration job skills with our Monarch and Milkweed Native Plant Nursery program. In 2022, the Fund also supported 35 LAUSD high school girls who participated in the *Girls Outside* program. This pilot program introduced the teens to the outdoors where they learned basic camping, hiking and outdoor principles and engaged them in leadership training.

Habitat Restoration and Trails: The Fund supports projects and programs that preserve the SMMNRA for all to explore for generations to come. In response to the need for plant conservation, ecological restoration, and work experience for underserved youth, the Fund established and continue to support the Native Plant Nursery at Rancho Sierra Vista. Since it opened in 2019, this nursery has become the key site for learning through internships and employment for local youth “at-promise” from diverse communities that would otherwise not have access to programming. The Fund’s staff must engage in ongoing recruitment to build trusting relationships to populate these programs. Additionally, in 2022, the nursery grew over 55,000 plants that were used for restoration purposes, continued to grow the seed bank, held its annual Monarch and Milkweed conference to educate the public about the loss of the Monarch butterfly population and involved hundreds of volunteers in these projects. Nursery staff attended numerous public outreach programs and gave away tens of thousands of milkweed plants to the public in primarily underserved areas of Ventura and Los Angeles counties. These efforts were partially supported by *SAMO Youth*, the *OYE* students, interns from surrounding areas that served paid internships at the nursery and volunteers of all ages. The Fund has also increased the availability of milkweed, the only food source of the endangered Monarch Butterfly.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - NATURE OF THE ORGANIZATION (Continued)

Also in 2022, the Fund helped construct and staff a new nursery at Liberty Canyon Crossing for the National Park Service. The nursery was constructed from the ground up. Seedlings were propagated from specific sites around the Santa Monica Mountains. These seedlings will be used to provide the foliage to create a native habitat and attract wildlife to the new Wallis Annenberg Wildlife Crossing which is under construction in the Santa Monica Mountains.

In November 2018, the Woolsey fire decimated 88% of the SMMNRA land. Over the past few years, the Fund raised \$500,000, including approximately \$60,000 of unrestricted fundraised contributions, to help rebuild Paramount Ranch which was gifted to the National Park Service in 2022. The Fund also works with the NPS to support recovery and maintenance of the historical routes through the mountains, including raising money for the construction of a new foot bridge on the Backbone Trail. There are more than 500 miles of public trails that crisscross the Santa Monica Mountains. These trails are the first experience most visitors have in the SMMNRA and require ongoing rigorous care. The Fund hires a trail crew that clears and maintains dozens of miles of trails. The trails are monitored for safety concerns for hikers and bikers, brush is cleared and weather wear-and-tear is repaired.

Wildlife Research and Protection: In addition to student interns supporting wildlife research, the Fund supports the NPS wildlife research program by donating funds to support staffing of multiple-research projects and providing satellite collars so that the biologists can track and understand the movement of big cats and deer. The Fund also supports the research work relevant to the Wallis Annenberg Wildlife Crossing, which was the impetus to the campaign leading to its construction. The Fund continues to support the “Nature Neighbor” program, which contributes to local understanding of wildlife behavior and reduces fears and negative feelings towards local wildlife. Finally, the Fund continues to support the *Break The Poison Chain* campaign by highlighting the risks of rodenticide to wildlife and giving away hundreds of signs to raise awareness about anti-coagulants.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Fund have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The net assets of the Fund are classified based on the existence or absence of donor-imposed restrictions.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Accordingly, the Fund classifies net assets and changes in net assets as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fund. The Fund's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fund or by the passage of time. Other donor restrictions, such as the Fund's endowments, are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Fund to use the returns on the related investments over time for general or specific purposes. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When restrictions on contributions are satisfied in the same period as the receipt of the contribution, the Fund reports the contribution or grant revenue in net assets without donor restrictions.

Revenue and Support

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

Contributions and Grants

Unconditional contributions are recognized at a point in time, when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions of other assets are reported with donor-restricted support, if they are received with donor stipulations that limit the use of the donated assets.

In-Kind Contributions

From time to time, the Fund receives in-kind contributions such as professional services, supplies, equipment, and other assets. Contributions of supplies, equipment, and other assets are recognized as revenue at a point of time at the estimated fair value, which considers the highest and best use, on the date of donation or when ownership of donated assets is transferred to the Fund. During 2022, the Fund received donated stock valued at \$104.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions (Continued)

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

During 2022, the Fund recognized \$1,359 of contributed services that meet the criteria above. The Fund also received use of facilities during the year, pursuant to its Cooperative Agreement with the NPS for an unstated value. In addition, during the year a number of individuals donated services and time to the Fund; the value of these services has not been reflected in the financial statements as the services performed do not meet the criteria discussed above.

Contract Revenues

Contract Revenues primarily consist of reimbursable federal task agreements with the U.S. Department of the Interior, NPS. Under the terms of the agreements, NPS reimburses the Fund for allowable expenses incurred. Accordingly, revenue and a related administrative fee, is recognized at a point in time as the related expenses are incurred. Payments received in advance are reported as deferred revenue until earned.

Allocation of Expenses

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

Special Events

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

Cash and Cash Equivalents

The Fund considers all cash on hand and short-term highly liquid investments that are readily convertible into cash with purchased maturities of three months or less to be cash equivalents. Cash and cash equivalents consisted of the following at December 31, 2022:

Cash in Banks	\$ 1,308,520
Cash on Hand	400
Money Market Funds	168
Total	<u>\$ 1,309,088</u>

Investments

Investments are reported at fair value. Unrealized gains and losses are included in the change in net assets in the period such fluctuations occur.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

Investment income consisted of interest and dividend income of \$29,404 and net realized and unrealized gains and losses on investments, net of investment advisor fees, of \$(356,707) for the year ended December 31, 2022.

Contributions and Grants Receivables

Contributions and grant receivables represent unconditional pledges and promises to give less an allowance for doubtful accounts. Conditional contributions received are reported as liabilities until the condition is eliminated or the assets are returned to the donor. The Fund provides for losses on receivables using the allowance method. The allowance is based on experience, other circumstances. It is the Fund's policy to charge off uncollectible receivables when management determines the receivable will not be collected. As of December 31, 2022, the Fund has recorded no allowance for doubtful accounts for contributions and grants receivables.

Property and Equipment

Property and equipment acquired by purchase are recorded at cost. The fair market value of donated fixed assets are capitalized based on the fair market value on the date of the gift. Depreciation is provided on a straight-line basis over the useful lives of the assets, which range from 5 to 15 years. The Fund capitalizes all donated or purchased fixed assets with an initial value greater than \$5,000. From time to time, the Fund will purchase fixed assets with the purpose of donating; the fixed asset is expensed when donated. Normal repairs and maintenance are expensed as incurred. During the year ended December 31, 2022, depreciation expense was \$972 on gross fixed assets of \$19,175 consisting of equipment, furniture, and software.

Income Tax Exemption

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

In evaluating the Fund's tax provisions and accruals, the Fund believes that its estimates are appropriate based on current facts and circumstances. The Fund believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Fund's tax filings are subject to audit by various taxing authorities. The Fund's federal and state informational returns for December 31, 2019 and 2018, and subsequent remain open to examination by the Internal Revenue Service and Franchise Tax Board, respectively.

Use of Estimates

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

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 855-10-50, *Subsequent Events*, the Fund has evaluated events subsequent to December 31, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through April 28, 2023, the date the financial statements were available to be issued.

NOTE 3 - FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a consistent framework which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - FAIR VALUE MEASUREMENTS

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Fund are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission (“SEC”). These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds held by the Fund are deemed to be actively traded.

Fair value of assets measured on a recurring basis as of December 31, 2022 are as follows:

	Level 1	Level 2	Level 3	Totals
<i>Mutual Funds:</i>				
Fixed Income Taxable	\$ 609,233	\$ -	\$ -	\$ 609,233
US Equity	326,242	-	-	326,242
Global Equity	326,801	-	-	326,801
Emerging Markets	12,142	-	-	12,142
	<u>\$ 1,274,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,274,418</u>

NOTE 4 - PLEDGES RECEIVABLE

Unconditional promises to give at December 31, 2022, are as follows:

Receivable in less than one year	<u>\$ 29,000</u>
Total unconditional promises to give	29,000
Allowance for uncollectible pledges	(19,000)
Total unconditional promises to give, net of allowance	<u>\$ 10,000</u>

Based upon management’s expectations, the Fund has established an allowance for uncollectible pledges of \$19,000 as of December 31, 2022.

NOTE 5 - CONCENTRATION OF RISK

During the year, a significant amount of revenue and support was generated from individual grants and contributions, of which three donors made up approximately 58% of total donations, contributions, and grants. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term.

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

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 - RELATED PARTY TRANSACTIONS

The Fund entered into a cooperative agreement with the U.S. Department of the Interior, NPS on behalf of the SMMNRA. This agreement states that the Fund provides expertise and services for the purpose of providing support and assistance to interpretive, educational, resource restoration, resource protection, and research activities of the NPS.

For the year ended December 31, 2022, the Fund directly provided to, or paid on behalf of, the NPS approximately \$1,060,000. The assistance was principally given to the SMMNRA, or associated government operations deemed by the NPS to be beneficial to the SMMNRA.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following restrictions as of December 31, 2022:

	December 31, 2021	Additions	Transfers	December 31, 2022
Donor Restricted by Purpose or Time				
Education	\$ 550,192	\$ 93,219	\$ (435,059)	\$ 208,352
Trails and Restoration	1,158,786	77,382	(877,706)	358,462
Wildlife	231,771	117,423	(59,327)	289,867
Outreach and Other	54,532	50	(4,623)	49,959
	<u>1,995,281</u>	<u>288,074</u>	<u>(1,376,715)</u>	<u>906,640</u>
Donor Restricted in Perpetuity (see Note 8)				
Education	118,413	-	-	118,413
Wildlife	84,675	-	-	84,675
	<u>203,088</u>	<u>-</u>	<u>-</u>	<u>203,088</u>
Total Net Assets With Donor Restrictions	<u>\$ 2,198,369</u>	<u>\$ 288,074</u>	<u>\$ (1,376,715)</u>	<u>\$ 1,109,728</u>

NOTE 8 - ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS

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

The Board has interpreted the California-enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gifts to the Endowment as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

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.

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

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

The SMMNRA Operations Endowment is sourced from contributions without donor restrictions and designated by the Board. The endowment was created to help support park operations in the Santa Monica Mountains. The Board designated net assets had investment loss of \$2,023 allocated during the year, which is included in net assets without donor restrictions. The total accumulated net earnings available from the Board designated endowment since inception is \$2,389.

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. The Wildlife Endowment's objective is to support research and conservation of wildlife in and around the SMMNRA. The Yelda Trust endowments had investment losses of \$46,257 allocated during the year, which is included in net assets with donor restrictions until donor-imposed restriction is met. The total accumulated net earnings available from the Donor-Restricted endowments since inception is \$57,109 of which \$19,314 has been utilized as of December 31, 2022.

During the year ended December 31, 2022, the activity in the endowment funds are as follows:

	December 31, 2021	Additions	Transfers	December 31, 2022
Board Designated Net Assets:				
SMMNRA Operations	\$ 8,883	\$ -	\$ -	\$ 8,883
Donor Restricted Endowment Funds:				
Yelda Trust - Education Transportation	118,413	-	-	118,413
Yelda Trust - Wildlife	84,675	-	-	84,675
Total Endowment Net Assets	<u>\$ 211,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,971</u>

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 - LIQUIDITY

The Fund regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Fund's financial assets available within one year as of December 31, 2022 for general expenditure reduced by amounts not available for general use because of donor imposed, board designated, and other restrictions (see Note 7 and 8) are as follows:

Cash and Cash Equivalents	\$ 1,309,088
Investments	1,274,418
Contract Receivable	39,187
Pledges Receivable	<u>10,000</u>
Total Financial Assets	2,632,693
Less:	
Donor Restricted Funds by Purpose or Time	(906,640)
Donor Restricted Endowment Funds	(203,088)
Board Designated Net Assets	<u>(8,883)</u>
Total Financial Assets Available for General Expenditures Within One Year	<u><u>\$ 1,514,082</u></u>

NOTE 10 - RISKS AND UNCERTAINTIES

The Fund's operations are primarily concentrated in the Santa Monica Mountains region, which have recently been prone to natural wildfire disasters, such as the Woolsey fire in November 2018. As such possible future natural disasters may significantly impact the program operations of the Fund.

SANTA MONICA MOUNTAINS FUND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF CONTRACT REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Contract Number	Contract Title	Contract Period	Contract Amount			Contract Revenues Recognized							Contract Amounts Available as of 12/31/22
			Prior Year Contracts	Current Year Additions & Modifications	Total Contract Amount	Prior Year(s) Revenues Recognized	Current Year Payments Received	Contracts Receivable as of 12/31/21	Contracts Receivable as of 12/31/22	Deferred Revenue as of 12/31/22	Current Year Revenues Recognized	Total Contract Revenues Recognized	
Education													
P18AC00881	SAMO Youth Leadership Program	07/18-07/23	\$ 426,765	\$ -	\$ 426,765	\$ 426,765	\$ 35,960	\$ 35,960	\$ -	\$ -	\$ -	\$ 426,765	\$ -
P18AC01057	Guest Host Program	07/18-12/23	38,000	-	38,000	22,209	14,080	5,830	2,970	-	11,220	33,429	4,571
P18AC01372	Provide Internship Opportunities at the SMMNRA	09/18-09/23	98,987	-	98,987	96,402	11,154	8,569	-	-	2,585	98,987	-
P22AC01319	SAMO Outreach and Education Program	07/22-07/25	-	43,378	43,378	-	15,148	-	3,794	-	18,942	18,942	24,436
P23AC00086	Habitat Restoration through Youth Engagement, Education and Outreach.	12/22-12/27	-	74,680	74,680	-	-	-	-	-	-	-	74,680
	Sub Total		563,752	118,058	681,810	545,376	76,342	50,359	6,764	-	32,747	578,123	103,687
Wildlife													
P18AC01398	Avian Fire / Red-Legged Frogs	09/18-12/21	26,000	-	26,000	26,000	4,490	4,490	-	-	-	26,000	-
P20AC00688	Endangered Species and Sensitive Habitat Conservation	06/20-09/23	50,600	-	50,600	37,876	22,374	11,000	-	-	11,374	49,250	1,350
P20AC00700	Youth Volunteers Restore Native Habitat and Control Invasive Species	06/20-12/24	55,995	-	55,995	-	-	-	-	-	-	-	55,995
P21AC11834	Assessing Barriers to California Quail Gene Flow and Genome Sequencing of Amphibians	08/21-08/23	27,135	-	27,135	2,635	14,090	2,635	-	-	11,455	14,090	13,045
P21AC12026	Wildlife Program Assistance for Research and Conservation Activities	09/21-09/26	74,985	50,500	125,485	13,336	57,478	13,336	-	-	44,142	57,478	68,007
	Sub Total		234,715	50,500	285,215	79,847	98,432	31,461	-	-	66,971	146,818	138,397
Trails and Restoration													
P17AC01362	Trail Network Support	08/17-08/22	815,946	-	815,946	656,220	218,444	58,718	-	-	159,726	815,946	-
P19AC01048	Increase Native Plant Nursery Capacity to Meet Woolsey Fire Recovery Needs	09/19-12/23	215,911	85,300	301,211	117,450	233,108	49,347	-	-	183,761	301,211	-
P22AC01267	Trails Conservation and Fuels Reduction in the Santa Monica Mountains	08/22-08/27	-	122,403	122,403	-	49,852	-	24,073	-	73,925	73,925	48,478
P22AC01309	Supporting the Park's Restoration Program to Meet Increasing Needs	07/22-07/27	-	30,560	30,560	-	-	-	-	-	-	-	30,560
	Sub Total		1,031,857	238,263	1,270,120	773,670	501,404	108,065	24,073	-	417,412	1,191,082	79,038
Outreach and Other													
P17AC01155	Nature Neighbor Program: Urban Interface Conservationist	08/17-08/22	130,395	-	130,395	125,681	4,714	-	-	-	4,714	130,395	-
P20AC00161	Cultural Resource Program Assistance for Archeology, History, and Museum Collections	01/20-01/25	175,127	263,060	438,187	127,418	115,550	30,867	8,350	-	93,033	220,451	217,736
P21AC11159	VRP Horse Program	07/21-06/26	11,546	-	11,546	-	-	-	-	-	-	-	11,546
P22AC00842	Film History Public Programs at Paramount Ranch	06/22-09/24	-	10,000	10,000	-	3,127	-	-	-	3,127	3,127	6,873
	Sub Total		317,068	273,060	590,128	253,099	123,391	30,867	8,350	-	100,874	353,973	236,155
	Total		\$ 2,147,392	\$ 679,881	\$ 2,827,273	\$ 1,651,992	\$ 799,569	\$ 220,752	\$ 39,187	\$ -	\$ 618,004	\$ 2,269,996	\$ 557,277

See independent auditors' report.