



SANTA MONICA MOUNTAINS FUND
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, 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, 2021, 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
August 9, 2022

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	1,544,103
Investments		1,602,044
Contributions and Grant Receivable		466,176
Pledges Receivable, net of allowance		26,000
Contracts Receivable		220,752
Other Current Assets		9,672
		3,868,747
Total Current Assets		3,868,747

NON-CURRENT ASSETS

Property and Equipment, net of accumulated depreciation		-
		-
Total Non-Current Assets		-
		-
Total Assets	\$	3,868,747

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$	22,068
Accrued Payroll and Related Expenses		82,646
		104,714
Total Current Liabilities		104,714

NET ASSETS

Without Donor Restrictions		1,565,664
With Donor Restrictions		2,198,369
		3,764,033
Total Net Assets		3,764,033
		3,764,033
Total Liabilities and Net Assets	\$	3,868,747

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, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Donations and Contributions	\$ 61,132	175,309	\$ 236,441
Grants	89,500	1,160,607	1,250,107
Contract Revenue	818,782	-	818,782
Investment Income and Appreciation, net	199,443	31,520	230,963
Other Revenue	159,426	-	159,426
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	1,328,283	1,367,436	2,695,719
Special Events	56,298	58,989	115,287
Less Direct Expenses	(43,372)	-	(43,372)
	<hr/>	<hr/>	<hr/>
Net Special Events	12,926	58,989	71,915
Net Assets Released from Restrictions	668,017	(668,017)	-
	<hr/>	<hr/>	<hr/>
Total Revenue, Support, and Reclassifications	2,009,226	758,408	2,767,634
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program Services	1,480,932	-	1,480,932
Management and General	92,675	-	92,675
Fundraising	62,248	-	62,248
	<hr/>	<hr/>	<hr/>
Total Expenses	1,635,855	-	1,635,855
	<hr/>	<hr/>	<hr/>
Changes in Net Assets	373,371	758,408	1,131,779
NET ASSETS - Beginning of Year	<hr/> 1,192,293	<hr/> 1,439,961	<hr/> 2,632,254
NET ASSETS - End of Year	<hr/> \$ 1,565,664	<hr/> \$ 2,198,369	<hr/> \$ 3,764,033

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Education	Wildlife	Trails and Restoration	Outreach and Other Programs	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	\$ 374,449	\$ 52,304	\$ 440,332	\$ 83,938	\$ 951,023	\$ 23,941	\$ 30,311	\$ 1,005,275
Taxes - Payroll	37,442	3,440	42,435	6,657	89,974	4,104	867	94,945
Bad Debt Expense	-	-	-	-	-	-	10,000	10,000
Bank Service Charges	9	477	4,723	-	5,209	234	1,531	6,974
Equipment	-	2,815	2,442	-	5,257	-	-	5,257
Grants and Gifts	-	74,550	-	-	74,550	-	-	74,550
Insurance	32,805	801	51,664	539	85,809	9,068	55	94,932
Membership Dues	-	-	-	-	-	792	-	792
Miscellaneous	-	-	30	1,575	1,605	768	1,964	4,337
Postage and Printing	303	-	2,646	-	2,949	916	7,914	11,779
Professional Services	48,654	38,962	20,001	19,293	126,910	42,564	6,175	175,649
Supplies	16,139	12,636	24,912	8,091	61,778	1,284	3,233	66,295
Telephone	-	-	18	384	402	5,386	160	5,948
Transportation	5,320	-	-	352	5,672	-	-	5,672
Travel and Conferences	253	-	276	54	583	3,618	38	4,239
Volunteer Support	22,271	22,525	24,415	-	69,211	-	-	69,211
Total Expenses	\$ 537,645	\$ 208,510	\$ 613,894	\$ 120,883	\$ 1,480,932	\$ 92,675	\$ 62,248	\$ 1,635,855

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 1,131,779
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Increase in Fair Value of Investments	(114,877)
Debt Extinguishment on PPP Promissory Note	(159,395)
Reserve for Uncollectible Accounts	10,000
Changes in Assets - (Increase)/Decrease:	
Contributions and Grants Receivable	(464,660)
Contracts Receivable	(36,251)
Pledges Receivable	25,000
Other Current Assets	(228)
Changes in Liabilities - Increase/(Decrease):	
Accounts Payable and Accrued Expenses	(4,136)
Accrued Payroll and Related Expenses	10,350
Deferred Revenues	(19,032)
Net Cash Provided by Operating Activities	378,550

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(189,545)
Proceeds from Sale of Investments	73,661
Net Cash Used in Investing Activities	(115,884)

CASH FLOWS FROM FINANCING ACTIVITIES

Advance on PPP Promissory Note	79,395
Net Cash Provided by Financing Activities	79,395
Net Increase in Cash and Cash Equivalents	342,061

CASH and CASH EQUIVALENTS - Beginning of Year	1,202,042
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CASH and CASH EQUIVALENTS - End of Year	\$ 1,544,103
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SUPPLEMENTAL DISCLOSURES

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

See accompanying notes to the financial statements.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - NATURE OF THE ORGANIZATION

Santa Monica Mountains Fund (the “Fund”) operates as a not-for-profit organization located in Thousand Oaks, California. It was established on January 22, 1988 to support the education and resource protection efforts of the National Park Service (“NPS”) and California State Parks in the Santa Monica Mountains National Recreation Area (“SMMNRA”), a unit of the NPS. The Fund’s objectives are organized around the following core program areas, which are:

Education: The Fund facilitates strategic education initiatives designed to engage current and future SMMNRA stewards of all ages by funding programming, transportation, and endowments. Each year nearly 20,000 4th graders arrive in the SMMNRA to enjoy a day in the park to learn about plants, animals, and Native American heritage. Throughout the year, families arrive for diverse, cultural guided park adventures. In the summer, the Santa Monica (“SAMO”) Youth program brings college and high school students to the SMMNRA for a youth mentoring journey with NPS rangers. Also, the Fund employs SAMO Youth alumni as junior leaders to support the SAMO Youth program and in some cases, college students are promoted to year-long mentorship employment opportunities to work with NPS leadership. Both of these programs offer summer work opportunities to outstanding young students, exposing them to the Park’s mission and career possibilities. Despite the ongoing pandemic, the Fund helped NPS to create virtual experiences in nature for more than 20,000 elementary school students. Students were able to ask questions and talk with rangers online in real time.

Trails and Habitat Restoration: The Fund supports projects and programs that preserve the SMMNRA for all to explore for generations to come. In November 2018, the Woolsey fire ripped through the SMMNRA decimating 88% of the land. The Fund has raised over \$500,000 to help rebuild Paramount Ranch. The Fund has also been working with the NPS to support restoration, recovery, and maintenance of the historical routes through the mountains, including raising money for bridge repair on the Backbone Trail, and hiring a trail crew that cleared or maintained over 25 miles of trails in 2021. Additionally, the Fund continues to support the revitalization of the native plant nursery at Rancho Sierra Vista and has supported upgrades to this operation. New equipment is ensuring that healthy plants can now be produced to support habitat restoration throughout the mountains. In 2021, the nursery grew over 50,000 plants that were used for restoration purposes, continued to grow the seed bank, held its first annual Monarch, and Milkweed conference to support the Monarch butterflies and involved hundreds of volunteers in these projects.

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 the research project and provide satellite collars so that the biologists can track and understand the movement of big cats. The Fund also supports the research work relevant to the wildlife crossing at Liberty Canyon. Finally, the Fund continues to support the #BreakThePoisonChain campaign by highlighting the risks of rodenticide to wildlife and pets.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - NATURE OF THE ORGANIZATION (Continued)

Outreach and Other Special Initiatives: The Fund also 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. Finally, the Fund continues to support the "Nature Neighbor" program, which aims to educate citizens living in and around the mountains, to promote park-friendly practices.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support (Continued)

Contributions and Grants (Continued)

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

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. Initial measurement of contributions received where there is a major uncertainty about the existence of value may indicate an item received should not be recognized. Under these circumstances, fair value should be regarded as not determinable within reasonable limits.

Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Fund reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During 2021, no donated goods were received by the Fund.

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

During 2021, the Fund 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

Contracts 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.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 original maturities of three months or less to be cash equivalents. Cash and cash equivalents consisted of the following at December 31, 2021:

Cash on Hand	\$	325
Cash in Banks		1,543,611
Money Market Funds		167
Total		\$ 1,544,103

Investments

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

Investment income consisted of interest and dividend income of \$32,060 and net realized and unrealized gains and losses on investments, net of investment advisor fees, of \$198,701 for the year ended December 31, 2021.

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, 2021, 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 is similarly capitalized. Depreciation is provided on a straight-line basis over the useful lives of the assets, which range from 5 to 15 years. The capitalization policy is items greater than \$5,000. Normal repairs and maintenance are expensed as incurred. During the year ended December 31, 2021, there was no depreciation expense as gross fixed assets of \$12,180 consisting of equipment, furniture, and software were fully depreciated.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Exemption

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

The Fund's tax filings are subject to audit by various taxing authorities. The Fund's federal and state informational returns for December 31, 2018 and 2017, and subsequent remain open to examination by the Internal Revenue Service and Franchise Tax Board, respectively. 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.

Use of Estimates

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

Subsequent Events

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855-10-50-1, Subsequent Events, the Fund has evaluated events subsequent to December 31, 2021, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 9, 2022, 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.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

- 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 the 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:

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, 2021 are as follows:

	Level 1	Level 2	Level 3	Totals
<i>Mutual Funds</i>				
Fixed Income Taxable	\$ 462,699	\$ -	\$ -	\$ 462,699
US Equity	703,129	-	-	703,129
Global Equity	420,773	-	-	420,773
Emerging Markets	15,443	-	-	15,443
	<u>\$ 1,602,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,602,044</u>

NOTE 4 - PLEDGES RECEIVABLE

Unconditional promises to give at December 31, 2021, are as follows:

Receivable in less than one year	<u>\$ 40,000</u>
Total unconditional promises to give	40,000
Allowance for uncollectible pledges	(14,000)
Total unconditional promises to give, net of allowance	<u>\$ 26,000</u>

Based upon management’s expectations, the Fund has established an allowance for uncollectible pledges of \$14,000 as of December 31, 2021.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - 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, 2021 for general expenditure reduced by amounts not available for general use because of donor imposed, board designated, and other restrictions (see Note 9 and 10) are as follows:

Cash and Cash Equivalents	\$ 1,544,103
Investments	1,602,044
Contributions and Grants Receivable	466,176
Contract Receivable	220,752
Pledges Receivable	<u>26,000</u>
Total Financial Assets	3,859,075
Less:	
Contract Deferred Revenues	-
Donor Restricted Funds by Purpose or Time	(1,995,281)
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>\$ 1,651,823</u>

NOTE 6 - CONCENTRATION OF RISK

During the year, a significant amount of revenue and support was generated from individual grants and contributions, of which two donors made up approximately 74% 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.

NOTE 7 - 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.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - RELATED PARTY TRANSACTIONS (Continued)

For the year ended December 31, 2021, the Fund directly provided to, or paid on behalf of, the NPS approximately \$740,000. The assistance was principally given to the SMMNRA, or associated government operations deemed by the NPS to be beneficial to the SMMNRA.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following restrictions as of December 31, 2021:

	Balance as of December 31, 2020	Additions	Transfers	Balance as of December 31, 2021
Donor Restricted by Purpose or Time				
Education	\$ 532,178	\$ 379,100	\$ (361,086)	\$ 550,192
Trails and Restoration	430,757	966,887	(238,858)	1,158,786
Wildlife	208,700	80,438	(57,367)	231,771
Outreach and Other	65,238	-	(10,706)	54,532
	<u>1,236,873</u>	<u>1,426,425</u>	<u>(668,017)</u>	<u>1,995,281</u>
Donor Restricted in Perpetuity (see Note 10)				
Education	118,413	-	-	118,413
Wildlife	84,675	-	-	84,675
	<u>203,088</u>	<u>-</u>	<u>-</u>	<u>203,088</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,439,961</u>	<u>\$ 1,426,425</u>	<u>\$ (668,017)</u>	<u>\$ 2,198,369</u>

NOTE 9 - ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS

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

The Board has interpreted the California-enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gifts to the Endowment as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment to the extent specified by the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund is included in net assets with donor restrictions until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by UPMIFA.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 - ENDOWMENT FUNDS AND BOARD DESIGNATED NET ASSETS (Continued)

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

A summary of Fund's endowments are as follows:

The SMMNRA Operations Endowment, designated by the Board, is funded to help support park operations in the Santa Monica Mountains. The annual endowment funding is being provided from 15% of the collections from the donor boxes located on Federal park lands, as well as all contributions to the endowment not programmatically specified.

There are 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 endowment had investment income of \$31,520 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 \$103,366. In addition, the Board designated net assets had investment income of \$1,379 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 \$4,412.

During the year ended December 31, 2021, the activity in the endowment funds are as follows:

	Balance as of December 31, 2020	Additions	Transfers	Balance as of December 31, 2021
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, 2021

NOTE 10 - COVID-19 FINANCIAL RELIEF

In April 2020 and February 2021, the Fund received \$80,000 and \$79,395, respectively, from the United States Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The PPP funding is legally structured as a forgivable loan by the SBA, which may be may be forgiven, fully or in part; forgiveness is determined by the lender and Fund's compliance with the note. In order to achieve forgiveness, the Fund must utilize the proceeds for only eligible purposes, including payroll, benefits, rent, and utilities, and also must generally maintain its full-time equivalent level of staffing over a defined time period.

The note matures in two years after the initial covered period of up to 24 weeks. Interest will accrue on the unpaid principal balance at the rate of 1.0% per annum and no payments will be due during the covered period and first 10 months of the loan. Principal and interest will become due on the 11th month in 14 equal monthly payments on the unpaid principal balance and accrued interest that has not been forgiven as described in the loan forgiveness provision. The Fund has elected to recognized revenue on the extinguishment of debt upon the realization of the release in accordance with ASC 405-20. During the year ending December 31, 2021, the Fund received forgiveness on the April 2020 and February 2021 promissory notes in the full amount received of \$159,395, included in other revenue.

NOTE 11 - 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, 2021

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF CONTRACT REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Contract Number	Contract Title	Contract Period	Contract Amount			Contract Revenues Recognized								Contract Amounts Available as of 12/31/21
			Prior Year Contracts	Current Year Additions & Modifications	Total Contract Amount	Prior Year(s) Revenues Recognized	Current Year Payments Received	Prior Year Contracts Receivable	Contracts Receivable	Deferred Revenues as of 01/01/21	Recognized Deferred Revenue	Current Year Revenues Recognized	Total Contract Revenues Recognized	
Education														
J8110110022	Research and Educational Projects & Programs	12/10-12/15	\$ 25,000	\$ -	\$ 25,000	\$ 23,300	\$ -	\$ -	\$ -	\$ (1,700)	\$ 1,700	\$ 1,700	\$ 25,000	\$ -
J8542080019	Biodiversity Teachers' Manual	04/08-03/12	24,300	-	24,300	9,181	-	-	-	(15,119)	15,119	15,119	24,300	-
J8548100014	Student Internships/Resource Management	08/10-09/14	165,648	-	165,648	165,289	-	-	-	(359)	359	359	165,648	-
P17AC01552	SAMO College Youth Program	09/17-09/22	98,000	-	98,000	98,000	6,249	6,249	-	-	-	-	98,000	-
P18AC00881	SAMO Youth Leadership Program	07/18-07/23	382,100	44,665	426,765	227,840	206,483	43,518	35,960	-	-	198,925	426,765	-
P18AC01057	Guest Host Program	07/18-12/23	28,000	10,000	38,000	16,049	2,200	1,870	5,830	-	-	6,160	22,209	15,791
P18AC01372	Student Internships	09/18-09/23	98,987	-	98,987	51,632	47,036	10,835	8,569	-	-	44,770	96,402	2,585
	Sub Total		822,035	54,665	876,700	591,291	261,968	62,472	50,359	(17,178)	17,178	267,033	858,324	18,376
Wildlife														
P18AC01398	Avian Fire / Red-Legged Frogs	09/18-12/21	26,000	-	26,000	21,510	5,695	5,695	4,490	-	-	4,490	26,000	-
P20AC00688	Endangered Species and Sensitive Habitat Conservation	06/20-09/23	17,600	33,000	50,600	1,796	26,876	1,796	11,000	-	-	36,080	37,876	12,724
P20AC00700	Youth Volunteers Restore Native Habitat and Control Invasive Species	06/20-12/22	55,995	-	55,995	-	-	-	-	-	-	-	-	55,995
P21AC11834	Assession Barriers to Quail and Genome Sequencing of Amphibians	08/21-08/23	-	27,135	27,135	-	-	-	2,635	-	-	2,635	2,635	24,500
P21AC12026	Wildlife Program Assistance for Research and Conservation Activities	09/21-09/26	-	74,985	74,985	-	-	-	13,336	-	-	13,336	13,336	61,649
	Sub Total		99,595	135,120	234,715	23,306	32,571	7,491	31,461	-	-	56,541	79,847	154,868
Trails and Restoration														
J8542090052	Interpretive Media - Cheeseboro Canyon	08/09-12/13	70,000	-	70,000	68,148	-	-	-	(1,852)	1,852	1,852	70,000	-
P17AC01362	Trail Network Support	08/17-08/22	565,416	250,530	815,946	388,029	277,139	67,666	58,718	-	-	268,191	656,220	159,726
P19AC01048	Increase Native Plant Nursery Capacity to Meet Woolsey Fire Recovery Needs	09/19-12/23	40,670	175,241	215,911	5,512	68,103	5,512	49,347	-	-	111,938	117,450	98,461
	Sub Total		676,086	425,771	1,101,857	461,689	345,242	73,178	108,065	(1,852)	1,852	381,981	843,670	258,187
Outreach and Other														
P16AC00972	Building Stewardship through Public Communications	06/16-06/21	239,767	(7,664)	232,103	206,906	39,052	13,855	-	-	-	25,197	232,103	-
P17AC00142	Front Desk Services	02/17-02/22	79,817	-	79,817	55,371	39,140	14,694	-	-	-	24,446	79,817	-
P17AC01155	Nature Neighbor Program: Urban Interface Conservationist	08/17-08/22	130,395	-	130,395	125,681	-	-	-	-	-	-	125,681	4,714
P20AC00161	Cultural Resource Program Assistance for Archeology, History and Museum Collections	01/20-01/25	114,876	60,251	175,127	63,834	45,528	12,811	30,867	-	-	63,584	127,418	47,709
P21AC11159	VRP Horse Program	07/21-06/26	-	11,546	11,546	-	-	-	-	-	-	-	-	11,546
	Sub Total		564,855	64,133	628,988	451,792	123,720	41,360	30,867	-	-	113,227	565,019	63,969
	Total		\$ 2,162,571	\$ 679,689	\$ 2,842,260	\$ 1,528,078	\$ 763,501	\$ 184,501	\$ 220,752	\$ (19,030)	\$ 19,030	\$ 818,782	\$ 2,346,860	\$ 495,400

See independent auditors' report.