



SANTA MONICA MOUNTAINS FUND
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019

FARBER HASS HURLEY LLP
CERTIFIED PUBLIC ACCOUNTANT

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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

Report on the Financial Statements

We have audited the accompanying financial statements of Santa Monica Mountains Fund (a nonprofit organization) (the "Fund"), which comprise the statement of financial position as of December 31, 2019, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2019, and changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 Subsequent Events, the spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in the United States marketplace. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Fund's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on grantors, donors, customers, employees, and vendors, all of which are uncertain and cannot be determined at this time. The financial statements have not been adjusted as a result of this uncertainty.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Contract Revenues on page 19, 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
December 9, 2020

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,551,891
Investments	929,343
Contributions and Grant Receivable	55,900
Pledges Receivable, current portion, net of allowance	22,000
Contracts Receivable	66,233
Other Current Assets	<u>5,343</u>
 Total Current Assets	 2,630,710

NON-CURRENT ASSETS

Pledges Receivable, less current portion	50,000
Property and Equipment, net of accumulated depreciation	<u>-</u>
 Total Non-Current Assets	 <u>50,000</u>
 Total Assets	 <u><u>\$ 2,680,710</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 25,418
Accrued Payroll and Related Expenses	<u>23,960</u>
 Total Current Liabilities	 49,378

NON-CURRENT LIABILITIES

Deferred Revenues	<u>144,232</u>
 Total Non-Current Liabilities	 <u>144,232</u>
 Total Liabilities	 <u>193,610</u>

NET ASSETS

Without Donor Restrictions	1,070,744
With Donor Restrictions	<u>1,416,356</u>
 Total Net Assets	 <u>2,487,100</u>
 Total Liabilities and Net Assets	 <u><u>\$ 2,680,710</u></u>

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, 2019

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Donations and Contributions	\$ 70,840	\$ 115,299	\$ 186,139
Grants	35,596	1,070,442	1,106,038
Contract Revenue	424,637	-	424,637
Investment Income and Appreciation, net	119,279	26,354	145,633
In-Kind Contributions	20,398	-	20,398
Other Revenue	2,301	-	2,301
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	673,051	1,212,095	1,885,146
Special Events	40,580	10,227	50,807
Less Direct Expenses	(5,154)	-	(5,154)
	<hr/>	<hr/>	<hr/>
Net Special Events	35,426	10,227	45,653
Net Assets Released from Restrictions	650,082	(650,082)	-
	<hr/>	<hr/>	<hr/>
Total Revenue, Support, and Reclassifications	1,358,559	572,240	1,930,799
EXPENSES			
Program Services	948,980	-	948,980
Management and General	169,788	-	169,788
Fundraising	13,144	-	13,144
	<hr/>	<hr/>	<hr/>
Total Expenses	1,131,912	-	1,131,912
Changes in Net Assets	226,647	572,240	798,887
NET ASSETS - Beginning of Year	<hr/>	<hr/>	<hr/>
	844,097	844,116	1,688,213
NET ASSETS - End of Year	<hr/>	<hr/>	<hr/>
	<u>\$ 1,070,744</u>	<u>\$ 1,416,356</u>	<u>\$ 2,487,100</u>

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Education	Wildlife	Outreach and				Total Program Services	Management and General	Fundraising	Total Expenses
			Trails and Restoration	Other Programs						
Salaries and Wages	\$ 182,824	\$ -	\$ 73,369	\$ 70,753	\$ 326,946	\$ 67,293	\$ -	\$ -	\$ 394,239	
Taxes - Payroll	17,402	-	6,984	6,735	31,121	4,505	-	-	35,626	
Bad Debt Expense	-	-	-	-	-	-	-	4,000	4,000	
Bank Service Charges	-	-	-	-	-	-	-	1,973	1,973	
Equipment	64	34,498	31,368	17,938	83,868	-	-	-	83,868	
Grants and Gifts	-	75,000	9,750	1,255	86,005	-	-	-	86,005	
Insurance	12,144	-	4,874	4,700	21,718	4,018	-	-	25,736	
Membership Dues	-	-	-	-	-	786	-	-	786	
Miscellaneous	-	48	-	-	48	1,272	-	-	1,320	
Postage and Printing	-	-	-	-	-	1,738	-	5,293	7,031	
Professional Services	46,913	61	42,637	1,440	91,051	74,215	200	-	165,466	
Supplies	21,869	611	5,406	2,148	30,034	3,603	243	-	33,880	
Telephone	1,040	-	-	-	1,040	9,814	-	1,053	11,907	
Transportation	165,351	-	288	-	165,639	-	-	-	165,639	
Travel and Conferences	-	-	-	-	-	2,544	-	382	2,926	
Volunteer Support	54,152	33,012	16,635	7,711	111,510	-	-	-	111,510	
Total Expenses	\$ 501,759	\$ 143,230	\$ 191,311	\$ 112,680	\$ 948,980	\$ 169,788	\$ 13,144	\$ -	\$ 1,131,912	

See accompanying notes to the financial statements.

**SANTA MONICA MOUNTAINS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 798,887
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Increase in Fair Value of Investments	(111,056)
Changes in Assets - (Increase)/Decrease:	
Contributions and Grants Receivable	(50,442)
Contracts Receivable	(66,233)
Pledges Receivable	28,000
Other Current Assets	(615)
Changes in Liabilities - Increase/(Decrease):	
Accounts Payable and Accrued Expenses	(5,893)
Accrued Payroll and Related Expenses	(7,262)
Deferred Revenues	(43,345)
Net Cash Provided by Operating Activities	542,041

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(33,728)
Sale of Investments	5,177
Net Cash Used in Investing Activities	(28,551)
Net Increase in Cash and Cash Equivalents	513,490

CASH and CASH EQUIVALENTS - Beginning of Year 1,038,401

CASH and CASH EQUIVALENTS - End of Year \$ 1,551,891

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, 2019

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 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. Both of these programs offer summer work opportunities to outstanding young students, exposing them to the Park's mission and career possibilities.

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. Since then, the Fund has been working with the NPS to support restoration and recovery, including the rebuilding of bridges and trails. Additionally, the Fund has employed a new manager for 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.

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. Thanks to volunteer support, the Fund also raised sufficient funds to replace the remote wildlife tracking cameras that burnt in the Woolsey Fire. Additionally, the Fund continues to support the #BreakThePoisonChain campaign by highlighting the risks of rodenticide to wildlife and pets.

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. Additionally, 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. The Fund also manages reception and mail services on behalf of the park.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 both the contribution revenue and the related expense in net assets without donor restrictions.

Revenue and Support

The Fund has adopted Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, on January 1, 2019, as amended as management believes the standard improves the usefulness and understandability of the Fund's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Fund recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Contributions and Grants

The Fund has adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958-605)* on January 1, 2019. 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 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support (Continued)

In-Kind Contributions

From time to time, the Fund receives in-kind contributions such as professional services, supplies, and equipment. Contributions of supplies and equipment are recognized as revenue at a point of time at the estimated fair value, which considers the highest and best use, on the date of donation or when ownership of donated assets is transferred to the Fund. The Fund reports contributions of supplies and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

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 2019, no donated goods were received by 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 if major uncertainties exist about the realizability of the value.

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 2019, the Fund recognized \$20,398 of contributed services that meet the criteria above. In addition, 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.

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.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the financial statements, 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.

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 \$25,741 and net realized and unrealized gains on investments of \$124,535 for the year ended December 31, 2019. Investment income is net of investment advisor fees of \$5,177 for the year ended December 31, 2019.

Contributions and Grant Receivables

Contributions and grant receivables represent unconditional pledges, recorded at fair market value, as of the pledge date, 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 accounts receivable using the allowance method. The allowance is based on experience, other circumstances. It is the Fund's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of December 31, 2019, management has determined no allowance for doubtful accounts was necessary.

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 five to fifteen years. The capitalization policy is items greater than \$5,000. Normal repairs and maintenance are expensed as incurred.

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 informational returns for December 31, 2016 and subsequent remain open to examination by the Internal Revenue Service. The Fund's state informational returns for December 31, 2015 and subsequent are subject to examination by the Franchise Tax Board. 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.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Estimates and assumptions are reviewed periodically and the effect of revisions is reflected in the financial statements in the period they are determined to be necessary.

Recent Accounting Pronouncements

Contributions

In June 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Specifically, this update is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchange (reciprocal) transaction, as well as determining whether a contribution is conditional. The amendments in the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. Accordingly, the guidance was adopted on January 1, 2019 and did not have any material impact on the Fund's financial statements.

Restricted Cash

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU requires that the statement of cash flows explain the change during the period in total cash, cash equivalents, restricted cash, and restricted equivalents. The amendments in the update are effective for fiscal years beginning after December 15, 2018. Accordingly, the guidance was adopted on January 1, 2019 and did not have any material impact on the Fund's financial statements.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Topic 606 supersedes the revenue recognition requirements in Topic 605, "Revenue Recognition", including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. The core principles of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principles and in, doing so, it is possible more judgement and estimates may be required under existing U.S. GAAP, including identifying performance obligation in the contract, estimating the amount of the variable consideration to include the transaction price and allocating the transaction prices to each performance obligation. Revenue from contributions and investments income are not impacted by the new standard. Accordingly, the guidance was adopted on January 1, 2019 and applied modified retrospectively with no material impact on the statement of financial position and statement of activities and changes in net assets.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash consisted of the following at December 31, 2019:

Cash on Hand	\$ 385
Cash in Banks	1,289,790
Money Market Funds	<u>261,716</u>
Total	<u>\$ 1,551,891</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value as the price received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants. Current guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors specific to the financial instrument.

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. Valuation techniques used under U.S. GAAP must maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for assets measured at fair value:

Level 1 Fair Value Measurements: 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 Fair Value Measurements: Investments that trade in markets that are not actively traded, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources for similar assets or liabilities. Fair value is determined through the use of models or other valuation methodologies.

Level 3 Fair Value Measurements: Investments have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these investments are based upon the best information in the circumstance and may require significant management judgment. The inputs into the determination of fair value require significant judgment or estimation by investment managers. These investments primarily consist of debt or equity securities issued by private entities. Certain alternative investments may be reclassified to Level 2 when the Fund has the ability to redeem them at net asset value ("NAV") in the near term without significant restrictions on redemption.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

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 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, 2019 are as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
<i>Mutual Funds</i>				
Fixed Income Taxable	\$ 384,765	\$ -	\$ -	\$ 384,765
US Equity	403,902	-	-	403,902
Global Equity	140,676	-	-	140,676
	<u>\$ 929,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929,343</u>

NOTE 5 – PLEDGES RECEIVABLE

Unconditional promises to give at December 31, 2019, are as follows:

Receivable in less than one year	\$ 26,000
Receivable in one to five years	50,000
Total unconditional promises to give	<u>\$ 76,000</u>

Based upon management’s expectations, the Fund has established an allowance for uncollectible pledges of \$4,000.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2019

Equipment and Furniture	\$ 11,574
Software	606
Total Property and Equipment	<u>12,180</u>
Less Accumulated Depreciation	(12,180)
Net Property and Equipment	<u>\$ -</u>

During the year ended December 31, 2019, there was no depreciation expense.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - 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, 2019 for general expenditure reduced by amounts not available for general use because of donor imposed, board designated, and other restrictions (see Note 10 and 11) are as follows:

Cash and Cash Equivalents	\$ 1,551,891
Investments	929,343
Contributions and Grants Receivable	55,900
Contract Receivable	66,233
Pledges Receivable, current portion	22,000
Total Financial Assets	2,625,367
Less:	
Contract Deferred Revenues	(144,232)
Donor Restricted Funds by Purpose or Time	(1,213,268)
Donor Restricted Endowment Funds	(203,088)
Board Designated Net Assets	(8,728)
Total Financial Assets Available for General Expenditures Within One Year	\$ 1,056,051

NOTE 8 - CONCENTRATION OF RISK

During the year, a significant amount of revenue and support was generated from individual grants and contributions. 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.

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.

NOTE 9 - 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, 2019

NOTE 9 - RELATED PARTY TRANSACTIONS (Continued)

For the year ended December 31, 2019, the Fund directly provided to, or paid on behalf of, the NPS approximately \$927,600. The assistance was principally given to the SMMNRA, or associated government operations deemed by the NPS to be beneficial to the SMMNRA.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following restrictions as of December 31, 2019:

	Balance as of December 31, 2018	Additions	Transfers	Balance as of December 31, 2019
Donor Restricted by Purpose or Time				
Education	\$ 579,047	\$ 618,112	\$ (572,566)	\$ 624,593
Trails and Restoration	1,999	439,659	(77,451)	364,207
Wildlife	10,765	153,426	-	164,191
Outreach and Other	49,517	10,825	(65)	60,277
	<u>641,328</u>	<u>1,222,022</u>	<u>(650,082)</u>	<u>1,213,268</u>
Donor Restricted in Perpetuity (see Note 11)				
Education	118,113	300	-	118,413
Wildlife	84,675	-	-	84,675
	<u>202,788</u>	<u>300</u>	<u>-</u>	<u>203,088</u>
Total Net Assets With Donor Restrictions	<u>\$ 844,116</u>	<u>\$ 1,222,322</u>	<u>\$ (650,082)</u>	<u>\$ 1,416,356</u>

NOTE 11 - 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, 2019**

NOTE 11 - 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. 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 \$26,354 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 \$43,244. In addition, the Board designated net assets had investment income of \$1,075 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 \$1,804.

The current year activity in the endowment funds are as follows:

	Balance as of December 31, 2018	Additions	Transfers	Balance as of December 31, 2019
Board Designated Net Assets:				
SMMNRA Operations	\$ 8,275	\$ 453	\$ -	\$ 8,728
Donor Restricted Endowment Funds:				
Yelda Trust - Education Transportation	118,113	300	-	118,413
Yelda Trust - Wildlife	84,675	-	-	84,675
Total Endowment Net Assets	<u>\$ 211,063</u>	<u>\$ 753</u>	<u>\$ -</u>	<u>\$ 211,816</u>

NOTE 12 - SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10-50-1, Subsequent Events, the Fund has evaluated events subsequent to December 31, 2019, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 9, 2020, the date the financial statements were available to be issued.

SANTA MONICA MOUNTAINS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 12 - SUBSEQUENT EVENTS (Continued)

In December 2019, an outbreak of a novel strain of coronavirus (“COVID-19”) was first reported in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic and recommend containment and mitigation measures worldwide. In addition, several states in the U.S., including California, where the Fund is headquartered, have declared a state of emergency.

COVID-19 could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect our operating results. Although management is continuing to monitor and assess the effects of the COVID-19 pandemic on the Fund, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

In April 2020, the Fund received proceeds of \$80,000 from a promissory note with a financial institution through the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The loan matures in 2 years with an interest rate of 1.0 percent per annum. During the first 6 months of the loan, interest will accrue on the unpaid principal balance at the rate stated above and no payments will be due. Payments will become due on the 7th month in 18 equal monthly payments on the unpaid principal balance and accrued interest that has not been forgiven as described in the loan forgiveness provision. The loan may be forgiven, fully or in part; forgiveness is determined by the lender and Fund's compliance with the promissory note.

SANTA MONICA MOUNTAINS FUND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019

**SANTA MONICA MOUNTAINS FUND
SCHEDULE OF CONTRACT REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Contract Number	Contract Title	Contract Period	Contract Amount			Contract Revenues Recognized						Contract Amounts Available as of 12/31/19	
			Prior Year Contracts	Current Year Contracts & Modifications	Total Contract Amount	Prior Year(s) Revenues Recognized	Current Year Payments Received	Accounts Receivable	Deferred Revenues as of 01/01/19	Recognized Deferred Revenue	Current Year Revenues Recognized		Total Contract Revenues Recognized
Education													
J8542080019	Biodiversity Teachers' Manual	04/08-03/12	\$ 24,300	\$ -	\$ 24,300	\$ -	\$ -	\$ -	\$ (24,300)	\$ 2,310	\$ 2,310	\$ 2,310	\$ 21,990
J8548100014	Student Internships/Resource Management	08/10-09/14	165,648	-	165,648	147,358	-	-	(18,290)	8,325	8,325	155,683	9,965
J8110110022	Research and Educational Projects & Programs	12/10-12/15	25,000	-	25,000	20,691	-	-	(4,309)	85	85	20,776	4,224
P14AC01248	Revise & Update Wildland Fire Ecology Classroom Materials	08/14-07/19	21,357	-	21,357	13,146	7,115	-	-	-	7,115	20,261	1,096
P14AC01275	Student Internships & Research Support/Interpretation, Outreach	08/14-07/19	229,085	-	229,085	221,136	7,949	-	-	-	7,949	229,085	-
P14AC00796	Teachers in the Park Program	06/14-05/19	26,690	-	26,690	17,006	9,684	-	-	-	9,684	26,690	-
P15AC01213	Healthy Parks, Healthy People	08/15-08/20	57,100	-	57,100	24,141	10,336	-	-	-	10,336	34,477	22,623
P16AC01442	Artists In Residence Program II	09/16-12/19	50,500	-	50,500	43,033	6,039	1,293	-	-	7,467	50,500	-
P17AC01552	SAMO College Youth Program	09/17-09/22	98,000	-	98,000	34,438	-	17,883	-	-	17,883	52,321	45,679
P17AC01675	Student Internships	09/17-09/22	60,000	-	60,000	-	47,499	-	-	-	47,499	47,499	12,501
P18AC00881	SAMO Youth Leadership Program	07/18-07/23	196,000	186,100	382,100	43,070	68,052	29,336	-	-	97,388	140,458	241,642
P18AC01057	Guest Host Program	07/18-12/21	8,000	10,000	18,000	330	10,340	-	-	-	10,340	10,670	7,330
P18AC01372	Student Internships	09/18-09/23	63,655	35,332	98,987	-	-	-	-	-	-	-	98,987
	Sub Total		1,025,335	231,432	1,256,767	564,349	167,014	48,512	(46,899)	10,720	226,381	790,730	466,037
Wildlife													
P18AC01398	Avian Fire / Red-Legged Frogs	09/18-12/20	26,000	-	26,000	-	-	-	-	-	-	-	26,000
	Sub Total		26,000	-	26,000	-	-	-	-	-	-	-	26,000
Trails and Restoration													
J8542080037	National Park Signs	07/08-12/12	270,442	-	270,442	199,764	-	-	(70,678)	32,625	32,625	232,389	38,053
J8542090052	Interpretive Media - Cheeseboro Canyon	08/09-12/13	70,000	-	70,000	-	-	-	(70,000)	-	-	-	70,000
P17AC01362	Trail Network Support	08/17-08/22	306,075	68,000	374,075	115,126	70,063	-	-	-	70,063	185,189	188,886
P19AC01048	Increase Native Plant Nursery Capacity as a result of Woolsey Fire	09/19-12/21	-	20,335	20,335	-	-	-	-	-	-	-	20,335
	Sub Total		646,517	88,335	734,852	314,890	70,063	-	(140,678)	32,625	102,688	417,578	317,274
Outreach and Other													
P16AC00972	Building Stewardship through Public Communications	06/16-06/21	156,785	82,982	239,767	137,212	55,839	-	-	-	55,839	193,051	46,716
P17AC01155	Nature Neighbor Program: Urban Interface Conservatoinist	08/17-08/22	130,395	-	130,395	100,797	22,143	2,741	-	-	24,884	125,681	4,714
P17AC01711	Horse Operations, Boundary Integrity, and General Support	09/17-09/20	32,000	-	32,000	29,757	-	-	-	-	-	29,757	2,243
P17AC00142	Front Desk Services	02/17-02/22	35,000	25,575	60,575	25,697	-	14,980	-	-	14,980	40,677	19,898
	Sub Total		354,180	108,557	462,737	293,463	77,982	17,721	-	-	95,703	389,166	73,571
Totals			\$ 2,052,032	\$ 428,324	\$ 2,480,356	\$ 1,172,702	\$ 315,059	\$ 66,233	\$ (187,577)	\$ 43,345	\$ 424,772	\$ 1,597,474	\$ 882,882

See independent auditors' report.