



FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023

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**POINT LOBOS FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Point Lobos Foundation
Carmel, California

Opinion

We have audited the accompanying financial statements of Point Lobos Foundation, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Point Lobos Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Point Lobos Foundation 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.

Prior Period Financial Statements

The 2023 financial statements were reviewed by us, and our report thereon, dated June 3, 2024, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 the 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 Point Lobos Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Point Lobos Foundation'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 Point Lobos Foundation'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 were identified during the audit.

MUN CPAs, LLP

Sacramento, California
July 17, 2025

**POINT LOBOS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023**

	(Audited) 2024	(Unaudited) 2023
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 791,150	\$ 655,807
Investments (Notes 5 and 6)	1,372,027	1,269,049
Accounts receivable	111,836	103,819
Inventory	36,087	34,160
Prepays and deposits	<u>1,751</u>	<u>4,664</u>
Total Current Assets	<u>2,312,851</u>	<u>2,067,499</u>
Non-Current Assets		
Property and equipment, net (Note 7)	7,828	12,356
Intangible assets, net (Note 8)	<u>5,417</u>	<u>7,409</u>
Total Non-Current Assets	<u>13,245</u>	<u>19,765</u>
Total Assets	<u><u>\$ 2,326,096</u></u>	<u><u>\$ 2,087,264</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 22,813	\$ 35,765
Accrued paid time off	30,923	34,701
Current portion of long-term debt (Note 9)	<u>-</u>	<u>6,754</u>
Total Current Liabilities	<u>53,736</u>	<u>77,220</u>
Non-Current Liabilities		
Long-term debt, less current portion (Note 9)	<u>-</u>	<u>30,443</u>
Total Non-Current Liabilities	<u>-</u>	<u>30,443</u>
Total Liabilities	<u>53,736</u>	<u>107,663</u>
Net Assets		
Without donor restrictions (Note 15)	1,705,882	1,496,171
With donor restrictions (Note 14)	<u>566,478</u>	<u>483,430</u>
Total Net Assets	<u>2,272,360</u>	<u>1,979,601</u>
Total Liabilities and Net Assets	<u><u>\$ 2,326,096</u></u>	<u><u>\$ 2,087,264</u></u>

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

**POINT LOBOS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024 (AUDITED)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Membership dues	\$ 259,904	\$ -	\$ 259,904
Grants and donations	188,631	384,945	573,576
In-kind donations (Note 12)	16,243	-	16,243
Merchandise sales, net (Note 10)	71,901	-	71,901
Investment returns, net (Note 6)	161,591	-	161,591
Fundraising events (Note 11)	25,764	-	25,764
Other income	<u>53,721</u>	<u>-</u>	<u>53,721</u>
Total Support and Revenue	<u>777,755</u>	<u>384,945</u>	<u>1,162,700</u>
Net assets released from restriction	<u>301,897</u>	<u>(301,897)</u>	<u>-</u>
Total Revenues	<u>1,079,652</u>	<u>83,048</u>	<u>1,162,700</u>
Expenses			
Program services	668,454	-	668,454
Fundraising	104,650	-	104,650
General and administration	<u>96,837</u>	<u>-</u>	<u>96,837</u>
Total Expenses	<u>869,941</u>	<u>-</u>	<u>869,941</u>
Change in Net Assets	209,711	83,048	292,759
Net Assets - January 1, 2024	<u>1,496,171</u>	<u>483,430</u>	<u>1,979,601</u>
Net Assets - December 31, 2024	<u>\$ 1,705,882</u>	<u>\$ 566,478</u>	<u>\$ 2,272,360</u>

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

**POINT LOBOS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Membership dues	\$ 296,580	\$ -	\$ 296,580
Grants and donations	233,873	208,379	442,252
In-kind donations (Note 12)	8,825	-	8,825
Merchandise sales, net (Note 10)	66,443	-	66,443
Investment returns, net (Note 6)	182,813	-	182,813
Fundraising events, net (Note 11)	11,124	-	11,124
Other income	<u>42,034</u>	<u>-</u>	<u>42,034</u>
Total Support and Revenue	<u>841,692</u>	<u>208,379</u>	<u>1,050,071</u>
Net assets released from restrictions	<u>184,278</u>	<u>(184,278)</u>	<u>-</u>
Total Revenues	<u>1,025,970</u>	<u>24,101</u>	<u>1,050,071</u>
Expenses			
Program services	453,375	-	453,375
Fundraising	88,367	-	88,367
General and administration	<u>97,407</u>	<u>-</u>	<u>97,407</u>
Total Expenses	<u>639,149</u>	<u>-</u>	<u>639,149</u>
Change in Net Assets	386,821	24,101	410,922
Net Assets, January 1, 2023	<u>1,109,350</u>	<u>459,329</u>	<u>1,568,679</u>
Net Assets, December 31, 2023	<u>\$ 1,496,171</u>	<u>\$ 483,430</u>	<u>\$ 1,979,601</u>

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

POINT LOBOS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024 (AUDITED)

	Program Services	Supporting Services		Total
		Fundraising	General & Administration	
Personnel	\$ 223,618	\$ 60,828	\$ 67,576	\$ 352,022
Office expenses	14,739	8,404	6,176	29,319
Professional services	15,402	1,606	17,720	34,728
Administration	-	5,981	1,775	7,756
Docent support	26,311	-	-	26,311
Location-based services	13,025	-	-	13,025
Visitor services	11,959	-	-	11,959
Youth programs	93,516	-	-	93,516
Fund development	786	22,981	110	23,877
Membership programs	25,491	1,214	17	26,722
Reserve stewardship	238,083	3,138	2,965	244,186
Depreciation and amortization	<u>5,524</u>	<u>498</u>	<u>498</u>	<u>6,520</u>
TOTAL EXPENSES	\$ <u>668,454</u>	\$ <u>104,650</u>	\$ <u>96,837</u>	\$ <u>869,941</u>

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

POINT LOBOS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Fundraising</u>	<u>General & Administration</u>	<u>Total</u>
Personnel	\$ 218,426	\$ 58,660	\$ 65,050	\$ 342,136
Office expenses	22,767	12,798	13,402	48,967
Professional services	10,243	4,658	13,182	28,083
Administration	213	4,944	3,263	8,420
Docent support	22,462	-	-	22,462
Location-based services	12,491	-	-	12,491
Visitor services	5,036	-	-	5,036
Youth programs	22,663	-	-	22,663
Fund development	917	3,527	-	4,444
Membership programs	22,871	1,270	-	24,141
Reserve stewardship	107,945	2,009	2,009	111,963
Depreciation and amortization	<u>7,341</u>	<u>501</u>	<u>501</u>	<u>8,343</u>
TOTAL EXPENSES	\$ <u>453,375</u>	\$ <u>88,367</u>	\$ <u>97,407</u>	\$ <u>639,149</u>

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

**POINT LOBOS FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	(Audited) 2024	(Unaudited) 2023
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 292,759	\$ 410,922
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,520	8,343
Unrealized loss (gains) on investments	(94,985)	(128,941)
Realized loss (gains) on investments	(17,366)	(16,934)
Decrease/(increase) in:		
Accounts receivable	(8,017)	(12,986)
Inventory	(1,927)	17,258
Prepays and deposits	2,913	(57)
Increase/(decrease) in:		
Accounts payable	(12,952)	1,498
Accrued liabilities	<u>(3,778)</u>	<u>7,817</u>
Net Cash Provided by Operating Activities	<u>163,167</u>	<u>286,920</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from sale of investments	286,578	180,260
Purchase of investments	<u>(277,205)</u>	<u>(179,098)</u>
Net Cash Provided by Investing Activities	<u>9,373</u>	<u>1,162</u>
<u>Cash Flows from Financing Activities</u>		
Principal payments on notes payable	<u>(37,197)</u>	<u>(23,442)</u>
Net Cash Used for Financing Activities	<u>(37,197)</u>	<u>(23,442)</u>
Change in Cash and Cash Equivalents	<u>135,343</u>	<u>264,640</u>
Cash and Cash Equivalents, Beginning of Year	<u>655,807</u>	<u>391,167</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 791,150</u></u>	<u><u>\$ 655,807</u></u>

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

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Point Lobos Foundation (the Foundation) is a California non-profit public benefit corporation founded in February 1978. The Foundation is dedicated to protecting and nurturing Point Lobos State Natural Reserve, educating and inspiring visitors to preserve its unique natural and cultural resources, and strengthening the network of Carmel Area State Parks.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, 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.

Basis of Accounting

These financial statements have been prepared using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation considers all unrestricted cash held at a financial institution with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Management believes all account receivables are fully collectible; therefore, no allowance for credit losses is recorded. All receivables are expected to be collected within one year.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Loss - Available-for-Sale Securities

For available-for-sale debt securities in an unrealized loss position, the Foundation first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Foundation evaluates whether the decline in fair value resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other income.

Inventory

Inventories, consisting of maps and other materials available for sale, are reported at the lower of first in, first out (FIFO) cost and net realizable value.

Investments

Investments are classified into the following categories:

- Available-for-sale securities, reported at fair value, with unrealized gains and losses included in earnings.
- Held-to-maturity securities, which management has the positive intent and ability to hold to maturity reported at amortized cost, adjusted for the accretion of discounts and amortization of premiums.

Management determines the appropriate classification of its investments at the time of purchase and may only change the classification in certain limited circumstances. All transfers between categories are accounted for at fair value in the period which the transfer occurs.

Gains or losses on the sale of investment securities are computed on the specific identification method.

An investment security is impaired when its carrying value is greater than its fair value. Investment securities that are impaired are evaluated on at least a quarterly basis and more frequently when economic or market conditions warrant such an evaluation to determine whether such a decline in their fair value is other than temporary. Management utilizes criteria such as the magnitude and duration of the decline and the intent and ability of the Foundation to retain its investment in the securities for a period of time sufficient to allow for an anticipated recovery in fair value, in addition to the reasons underlying the decline, to determine whether the loss in value is other than temporary. The term "other than temporary" is not intended to indicate that the decline is permanent, but indicates that the prospect for a near-term recovery of value is not necessarily favorable, or that there is a lack of evidence to support a realizable value equal to or greater than the carrying value of the investment. Once a decline in value is determined to be other than temporary, and management does not intend to sell the security or it is more likely than not that the Foundation will not be required to sell the security before recovery, for debt securities, only the portion of the impairment loss representing credit exposure is recognized as a charge to earnings, with the balance recognized as a charge to other comprehensive income. If management intends to sell the security or it is more likely than not that the Foundation will be required to sell the security before recovering its forecasted cost, the entire impairment loss is recognized as a charge to earnings.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents, investments and receivables. The Foundation places its cash and cash equivalents with high-credit, quality financial institutions that are insured up to \$250,000 at December 31, 2024 and 2023 by the Federal Deposit Insurance Corporation (FDIC).

Collections

The Foundation's collections are made up of artifacts and archives of historical significance, scientific specimens, and art objects that are held for educational and curatorial purposes. Collection items were acquired through contributions since the Foundation's inception and are not recognized as assets on the Statement of Financial Position. Proceeds from deaccessions or insurance recoveries, if any, are reflected as increases in the appropriate net assets classes. (See Note 4).

Property and Equipment

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the fair value at the date of donation. Depreciation is computed using primarily the straight-line methods over the estimated useful lives of the related assets, which range from 5 to 15 years.

Intangible Assets

The Foundation has intangible assets in the form of website development costs. In developing assumptions about the useful life of these assets, the Foundation considers the estimated term of expected operation.

Costs that increase the functionality or efficiency of the intangible assets, or otherwise extend the useful life of the assets of \$2,000 or more which are used to conduct the Foundation's business are capitalized. Intangible assets are presented at cost less accumulated amortization. Amortization is computed using the straight-line method over the estimated life of 5 years and it is annually reviewed for impairment.

Accrued Paid Time Off

It is the Foundation's policy to accumulate earned but unused paid time off, which will be paid to employees upon separation of employment. Paid time off at the Foundation includes time off for vacation, sick time, and holidays, which accrue at different rates. All full-time employees, scheduled for 40 hours in a week, and part-time employees, scheduled for 30+ hours per week, are eligible to accrue vacation. For employees who have been employed less than 4 years, accrual rates for vacation are 5 hours per pay period for full-time employees and 0.057 hours per hour worked for part-time employees. For employees who have been employed less than 8 years, but more than 4 years, accrual rates for vacation are 7 hours per pay period for full-time employees and 0.080 hours per hour worked for part-time employees. For employees who have been employed more than 8 years, accrual rates for vacation are 9 hours per pay period for full-time employees and 0.103 hours per hour worked for part-time employees. Employee's accrued vacation time off is capped at 1.5 times the annual rate of accrual. All full-time employees, scheduled for 40 hours in a week accrue 40 hours of sick leave and 88 holiday hours per year.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Grants and donations are recorded as support with donor or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or 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. Membership dues are recognized during the applicable membership period. Merchandise sales revenue is recognized at the point of sale. Revenue from fundraising events is recognized when the event takes place.

Donated Services and In-Kind Donations

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. Contributions of tangible assets are recorded at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or assets.

Income Taxes

The Foundation is a tax-exempt organization under Internal Revenue Code Section 509(a)(2) under Section 501(c)(3) and related California code sections. The Foundation may be subject to tax on unrelated business income. No estimated unrelated business income tax was recorded for the years ended December 31, 2024 and 2023.

The Foundation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, for accounting for uncertainty in income taxes. Management evaluated the Foundation's tax positions and concluded that the Foundation had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to the financial statements.

The Foundation had no interest and penalties related to income taxes for the years ended December 31, 2024 and 2023.

Functional Allocation of Expenses

The cost of providing the various program services and supporting activities of the Foundation have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. An individual expense is allocated to the underlying activity through which it was incurred. The Statement of Activities and the Statement of Functional Expenses include certain expenses which must be allocated on a reasonable basis which has been consistently applied. Occupancy and utilities have been allocated based on a pro-rata share space usage of office. Depreciation and amortization have been allocated by the underlying activity the depreciable item serves.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2: LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs and commitments.

The following table shows the financial assets held by the Foundation and the amounts of those assets which could be readily available within one year of the statements of financial position date to meet general expenditures:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
Cash and cash equivalents	\$ 791,150	\$ 655,807
Investments	1,372,027	1,269,049
Accounts receivable	<u>111,836</u>	<u>103,819</u>
 Total financial assets	 2,275,013	 2,028,675
Less:		
Amounts subject to general restrictions	566,479	483,430
Board designated funds	<u>241,638</u>	<u>285,163</u>
 Financial assets available to meet general expenditures within one year	 \$ <u>1,466,896</u>	 \$ <u>1,260,082</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage unanticipated liquidity needs, the Foundation has designated, at a minimum, a fund that is equal to three months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The amount of the fund target minimum will be calculated each year after approval of the annual budget as one quarter of the approved expense budget, excluding depreciation, in-kind and other non-cash expenses. As of December 31, 2024 and 2023, total board designated operating reserve funds specifically held for liquidity reserves were \$150,000.

The fund was established through approval of the Board of Directors to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$791,150 and \$655,807 at December 31, 2024 and 2023, respectively. Bank balances, held in a financial institution and a brokerage firm, totaled \$762,842 and \$617,452 at December 31, 2024 and 2023, respectively.

Of the amounts held in a financial institution, \$14,406 and \$23,705 were not covered by the Federal Deposit Insurance Corporation (FDIC) as of December 31, 2024 and 2023, respectively. Of the amounts maintained in a brokerage firm, \$496,919 and \$343,747 were fully insured by the Securities Investor Protection Corporation (SIPC) as of December 31, 2024 and 2023, respectively.

NOTE 4: THE WHALERS CABIN AND THE WHALING STATION MUSEUM COLLECTIONS

The Foundation's collections are made up of artifacts and documents of historical significance, scientific specimens and art objects that are held for educational and curatorial purposes. These items are cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The majority of the collection is on a long-term loan to California Department of Parks and Recreation, for display at The Whalers Cabin and The Whaling Station Museum buildings at Point Lobos State Natural Reserve. The objects in the collection were acquired over several years and have an appraised value of \$142,905. No collection items were deaccessioned in 2024 or 2023.

NOTE 5: FAIR VALUE MEASUREMENTS

The Foundation measures fair value in accordance with FASB Accounting Standards Codification ASC 820. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes 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 measurements involving significant unobservable inputs (Level 3 measurements).

The applicable level of the fair value hierarchy is as follows:

- Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 - Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of their investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or 2 inputs are not available.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended December 31, 2024 and 2023.

Exchange-traded funds (ETF) and Mutual funds: Valued like an individual stock on the stock exchange, tracks the yield and return of an index, such as the S&P 500, the Dow Jones, or the Russell 2000, resulting in a Level 1 valuation.

International bonds: Valued using quoted prices on active markets for similar international bonds plus accrued interest, resulting in a Level 2 valuation.

Assets measured at fair value on a recurring basis at December 31, 2024 were as follows (Audited):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 366,376	\$ 366,376	\$ -	\$ -
Exchange-traded funds	775,901	775,901	-	-
International bonds	<u>229,750</u>	<u>-</u>	<u>229,750</u>	<u>-</u>
Total	<u>\$ 1,372,027</u>	<u>\$ 1,142,277</u>	<u>\$ 229,750</u>	<u>\$ -</u>

Assets measured at fair value on a recurring basis at December 31, 2023 were as follows (Unaudited):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 357,857	\$ 357,857	\$ -	\$ -
Exchange-traded funds	711,905	711,905	-	-
International bonds	<u>199,287</u>	<u>-</u>	<u>199,287</u>	<u>-</u>
Total	<u>\$ 1,269,049</u>	<u>\$ 1,069,762</u>	<u>\$ 199,287</u>	<u>\$ -</u>

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Foundation believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 6: INVESTMENTS

The Foundation's investments consist of mutual funds, exchange-traded funds and international bonds, all classified as available-for-sale.

Investments consisted of the following at December 31, 2024 (Audited):

	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 366,376	\$ 385,066
Exchange-traded funds	775,901	457,380
International bonds	<u>229,750</u>	<u>252,097</u>
Total Investments	<u>\$ 1,372,027</u>	<u>\$ 1,094,543</u>

Investments consisted of the following at December 31, 2023 (Unaudited):

	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 357,857	\$ 374,100
Exchange-traded funds	711,905	488,309
International bonds	<u>199,287</u>	<u>225,688</u>
Total Investments	<u>\$ 1,269,049</u>	<u>\$ 1,088,097</u>

The following schedule summarizes investment activity reported in the Statements of Activities:

	<u>(Audited) December 31, 2024</u>	<u>(Unaudited) December 31, 2023</u>
Investment Income, net:		
Dividends/Interest	\$ 62,493	\$ 48,910
Realized capital gains/losses	17,366	16,934
Unrealized gains/losses	94,985	128,941
Fees	<u>(13,253)</u>	<u>(11,972)</u>
Total Investment Income, net	<u>\$ 161,591</u>	<u>\$ 182,813</u>

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NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	(Audited) <u>December 31, 2024</u>	(Unaudited) <u>December 31, 2023</u>
Depreciable assets - without donor restrictions		
Furniture and Fixtures	\$ 43,459	\$ 43,459
Automobiles	21,506	21,506
Machinery and Equipment	<u>41,249</u>	<u>41,249</u>
Total depreciable assets	106,214	106,214
Less: Accumulated depreciation	<u>(98,386)</u>	<u>(93,858)</u>
Property and equipment, net	<u>\$ 7,828</u>	<u>\$ 12,356</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$4,520 and \$4,943, respectively.

NOTE 8: INTANGIBLE ASSETS

Intangible assets consisted of the following:

	(Audited) <u>December 31, 2024</u>	(Unaudited) <u>December 31, 2023</u>
Intangible assets - without donor restrictions		
Website development costs	\$ <u>17,000</u>	\$ <u>17,000</u>
Total intangible assets	17,000	17,000
Less: Accumulated amortization	<u>(11,583)</u>	<u>(9,591)</u>
Intangible assets, net	<u>\$ 5,417</u>	<u>\$ 7,409</u>

Amortization expense for the years ended December 31, 2024 and 2023 was \$2,000 and \$3,400, respectively.

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NOTE 9: LONG-TERM DEBT

Economic Injury Disaster Loan - SBA

In 2020, the Foundation applied and was approved for a 30-year, \$150,000 loan under the Economic Injury Disaster Loan (EIDL) program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). Principal and interest payments are \$641 per month and the loan accrues interest at 2.75%. The SBA extended initial payments on loans until 24 months from the date of the note. In addition, \$5,000 was received as part of the EIDL Emergency Advance and is included in the statement of activities as grants and donations. Proceeds from any EIDL advance would be deducted from the loan forgiveness amount on the Paycheck Protection Program. The balance was paid off in 2024.

NOTE 10: MERCHANDISE SALES, NET

Merchandise sales, net of cost of goods sold were as follows:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
Sales	\$ 152,280	\$ 123,773
Less cost of goods sold	<u>80,379</u>	<u>57,330</u>
Merchandise sales, net	<u>\$ 71,901</u>	<u>\$ 66,443</u>

NOTE 11: FUNDRAISING EVENTS

Proceeds from fundraising events for the years ended December 31, 2024 and 2023 were \$25,764 and \$11,124, respectively.

NOTE 12: IN-KIND CONTRIBUTIONS

The Foundation received the following non-cash donations of materials, services, and free use of facilities that have been reflected in the financial statements for the years ended:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
Management and general:		
Donated supplies	\$ 7,200	\$ -
Donated rent	-	1,620
Fundraising:		
Materials and supplies	<u>\$ 9,043</u>	<u>\$ 7,205</u>
Total contributed nonfinancial assets	<u>\$ 16,243</u>	<u>\$ 8,825</u>

All donated assets were utilized by the Foundation's programs and supporting services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise not be performed by the Foundation. There were no donor-imposed restrictions associated with the donation of these assets. Donated facilities are valued at the fair value of similar facilities available to rent for event purposes. The donated materials and supplies are valued at the wholesale prices that would be received for selling similar products.

**POINT LOBOS FOUNDATION
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NOTE 13: OPERATING LEASES

In May 2023, the Foundation entered into a noncancellable operating lease for its administrative office for a one year term. The Foundation fully vacated the premises upon the expiration of the lease, fulfilling its obligations under the agreement. The Foundation entered into a noncancellable operating lease with The California State Parks for its administrative offices which commenced on May 1, 2024. The California State Parks and the Foundation have yet to finalize the terms of the lease.

NOTE 14: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2024 and 2023 consisted of the following:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
Sister Anna Voss Memorial Fund	\$ 245,887	\$ 150,053
Trail and facility maintenance	6,340	5,400
Information Station interpretive materials	2,182	2,000
Whalers Cabin	25,052	27,098
School outreach	13,722	38,062
Intern program and research	18,790	19,666
Restoration	83,861	61,783
Habitat conservation and protection	7,390	22,390
Office communications	9,879	10,000
Hudson House	3,132	48,369
Carmel River State Beach Fund	100,810	92,107
Docent Programs	<u>49,433</u>	<u>6,502</u>
Total Net Assets with Donor Restrictions	<u>\$ 566,478</u>	<u>\$ 483,430</u>

Net assets released from donor restrictions during the years ended December 31, 2024 and 2023 consisted of the following:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
Reserve Stewardship	119,529	105,211
Docent programs/school outreach	99,936	62,402
Research	876	876
Office communications	121	-
Hudson House	60,357	-
Carmel River State Beach Fund	<u>21,078</u>	<u>15,789</u>
Total Net Assets released from restrictions	<u>\$ 301,897</u>	<u>\$ 184,278</u>

**POINT LOBOS FOUNDATION
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NOTE 15: BOARD DESIGNATED NET ASSETS

Of the \$1,728,389 and \$1,496,171 net assets without donor restrictions, board designated net assets consisted of the following:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
General plan	\$ 10,759	\$ 49,846
Liquidity reserve	150,000	150,000
Restoration	<u>80,879</u>	<u>85,317</u>
Total Board Designated Net Assets	<u>\$ 241,638</u>	<u>\$ 285,163</u>

In 2011, the Board designated funds for funding up to 50% for the General Plan, up to a maximum of \$250,000. The balance of the funds designated for the General Plan at December 31, 2024, consisted of the following:

	(Audited) December 31, 2024	(Unaudited) December 31, 2023
Total Designated	\$ 250,000	\$ 250,000
Expended through the prior fiscal year	(200,154)	(200,154)
Expended in the current fiscal year	<u>(39,087)</u>	<u>-</u>
Total Board Designated Net Assets	<u>\$ 10,759</u>	<u>\$ 49,846</u>

The General Plan is further discussed in Note 17, Commitments – Memorandum of Understanding (MOU) California State Parks.

NOTE 16: CONCENTRATIONS

For the years ended December 31, 2024 and 2023, revenue received for membership dues was approximately 22% and 25% of total revenue, respectively.

NOTE 17: COMMITMENTS

Memorandum of Understanding (MOU) California State Parks

The Foundation entered into a Memorandum of Understanding (MOU) with California State Parks (CSP) in 2011 to provide one-half of the funding for the preparation of a General Plan for the Properties, up to a maximum funding by the Foundation of \$250,000. The Properties are defined as Point Lobos State Natural Reserve, Point Lobos Ranch property, Carmel River State Beach, and the Hatton Canyon property. Under the MOU the Foundation was to reimburse CSP within 30 days after receipt of an acceptable billing statement from CSP. As of December 31, 2024, the Foundation provided the funding required by California State Parks. The Board had reserved net assets as designated for this commitment. (See Note 15).

NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 17, 2025, which is the date the financial statements were issued. Management has determined no other subsequent events requiring disclosure have occurred.