



**FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2025 AND 2024**

**MUN CPAs, LLP
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**POINT LOBOS FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have reviewed the accompanying financial statements of Point Lobos Foundation, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Service Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Point Lobos Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2025 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2024 Financial Statements

The 2024 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated July 17, 2025. We have not performed any auditing procedures since that date.

MUN CPAs, LLP

Sacramento, California
July 16, 2026

**POINT LOBOS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024**

	(Reviewed) 2025	(Audited) 2024
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 965,903	\$ 791,150
Investments (Notes 5 and 6)	1,517,565	1,372,027
Accounts receivable	255,182	111,836
Inventory	40,305	36,087
Prepays and deposits	<u>1,020</u>	<u>1,751</u>
Total Current Assets	<u>2,779,975</u>	<u>2,312,851</u>
Non-Current Assets		
Property and equipment, net (Note 7)	3,535	7,828
Intangible assets, net (Note 8)	<u>3,417</u>	<u>5,417</u>
Total Non-Current Assets	<u>6,952</u>	<u>13,245</u>
Total Assets	<u><u>\$ 2,786,927</u></u>	<u><u>\$ 2,326,096</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 45,429	\$ 22,813
Accrued paid time off	<u>22,728</u>	<u>30,923</u>
Total Current Liabilities	<u>68,157</u>	<u>53,736</u>
Total Liabilities	<u>68,157</u>	<u>53,736</u>
Net Assets		
Without donor restrictions (Note 14)	2,165,313	1,705,882
With donor restrictions (Note 13)	<u>553,457</u>	<u>566,478</u>
Total Net Assets	<u>2,718,770</u>	<u>2,272,360</u>
Total Liabilities and Net Assets	<u><u>\$ 2,786,927</u></u>	<u><u>\$ 2,326,096</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, 2025 (REVIEWED)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Membership dues	\$ 360,875	\$ -	\$ 360,875
Grants and donations	325,590	259,150	584,740
In-kind donations (Note 11)	8,936	-	8,936
Merchandise sales, net (Note 9)	98,422	-	98,422
Investment returns, net (Note 6)	208,504	-	208,504
Fundraising events (Note 10)	6,959	-	6,959
Other income	<u>50,145</u>	<u>-</u>	<u>50,145</u>
Total Support and Revenue	<u>1,059,431</u>	<u>259,150</u>	<u>1,318,581</u>
Net assets released from restriction	<u>272,171</u>	<u>(272,171)</u>	<u>-</u>
Total Revenues	<u>1,331,602</u>	<u>(13,021)</u>	<u>1,318,581</u>
Expenses			
Program services	698,044	-	698,044
Fundraising	64,928	-	64,928
General and administration	<u>109,199</u>	<u>-</u>	<u>109,199</u>
Total Expenses	<u>872,171</u>	<u>-</u>	<u>872,171</u>
Change in Net Assets	459,431	(13,021)	446,410
Net Assets - January 1, 2025	<u>1,705,882</u>	<u>566,478</u>	<u>2,272,360</u>
Net Assets - December 31, 2025	<u>\$ 2,165,313</u>	<u>\$ 553,457</u>	<u>\$ 2,718,770</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 11)	16,243	-	16,243
Merchandise sales, net (Note 9)	71,901	-	71,901
Investment returns, net (Note 6)	161,591	-	161,591
Fundraising events, net (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 restrictions	<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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025 (REVIEWED)

		Supporting Services		
	Program Services	Fundraising	General and Administration	Total
Personnel	\$ 251,477	\$ 42,915	\$ 70,500	\$ 364,892
Office expenses	8,372	4,316	2,167	14,855
Professional services	21,658	649	30,441	52,748
Administration	353	9,145	2,644	12,142
Docent support	34,509	-	-	34,509
Location-based services	11,798	-	-	11,798
Visitor services	18,703	-	-	18,703
Youth programs	78,213	-	-	78,213
Fund development	1,448	2,633	-	4,081
Membership programs	32,508	1,823	-	34,331
Reserve stewardship	233,713	2,947	2,947	239,607
Depreciation and amortization	<u>5,292</u>	<u>500</u>	<u>500</u>	<u>6,292</u>
TOTAL EXPENSES	\$ <u>698,044</u>	\$ <u>64,928</u>	\$ <u>109,199</u>	\$ <u>872,171</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)

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Administration</u>	<u>Total</u>
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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	(Reviewed) 2025	(Audited) 2024
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 446,410	\$ 292,759
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,292	6,520
Unrealized loss (gains) on investments	(126,024)	(94,985)
Realized loss (gains) on investments	(26,078)	(17,366)
Decrease/(increase) in:		
Accounts receivable	(143,346)	(8,017)
Inventory	(4,218)	(1,927)
Prepays and deposits	731	2,913
Increase/(decrease) in:		
Accounts payable	22,616	(12,952)
Accrued paid time off	<u>(8,195)</u>	<u>(3,778)</u>
Net Cash Provided by Operating Activities	<u>168,188</u>	<u>163,167</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from sale of investments	137,766	286,578
Purchase of investments	<u>(131,201)</u>	<u>(277,205)</u>
Net Cash Provided by Investing Activities	<u>6,565</u>	<u>9,373</u>
<u>Cash Flows from Financing Activities</u>		
Principal payments on notes payable	<u>-</u>	<u>(37,197)</u>
Net Cash Used for Financing Activities	<u>-</u>	<u>(37,197)</u>
Change in Cash and Cash Equivalents	<u>174,753</u>	<u>135,343</u>
Cash and Cash Equivalents, Beginning of Year	<u>791,150</u>	<u>655,807</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 965,903</u></u>	<u><u>\$ 791,150</u></u>

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

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

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, 2025 AND 2024**

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, 2025 AND 2024**

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, 2025 and 2024 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).

During the fiscal year ended December 31, 2025, there were no accessions or deaccessions. During the year, the majority of the Foundation's artifact collection was transferred to California State Parks, with six artifacts placed on long-term loan to California State Parks and currently in its possession. Archival materials remain under the Foundation's ownership and in its possession.

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; however, only accrued vacation time is paid to employees upon separation from 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. Employees are paid bi-monthly. 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, 2025 AND 2024**

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, 2025 and 2024.

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, 2025 and 2024.

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, 2025 AND 2024**

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:

	(Reviewed) <u>December 31, 2025</u>	(Audited) <u>December 31, 2024</u>
Cash and cash equivalents	\$ 965,903	\$ 791,150
Investments	1,517,565	1,372,027
Accounts receivable	<u>255,182</u>	<u>111,836</u>
 Total financial assets	 2,738,650	 2,275,013
 Less:		
Amounts subject to general restrictions	553,457	566,478
Board designated funds	<u>230,879</u>	<u>241,638</u>
 Financial assets available to meet general expenditures within one year	 <u>\$ 1,954,314</u>	 <u>\$ 1,466,897</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, excluding depreciation, in-kind and other non-cash expenses. As of December 31, 2025 and 2024, 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, unanticipated loss in funding, or uninsured losses.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$965,903 and \$791,150 at December 31, 2025 and 2024, respectively. Bank balances, held in a financial institution and a brokerage firm, totaled \$949,251 and \$762,842 at December 31, 2025 and 2024, respectively.

Of the amounts held in a financial institution, \$0 and \$14,406 were not covered by the Federal Deposit Insurance Corporation (FDIC) as of December 31, 2025 and 2024, respectively. Of the amounts maintained in a brokerage firm, \$500,000 and \$496,919 were fully insured by the Securities Investor Protection Corporation (SIPC) as of December 31, 2025 and 2024, 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 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. These collection items are not recognized as assets on the statement of financial position. During the fiscal years ended December 31, 2025 and 2024, there were no accessions or deaccessions. During 2025, the majority of the Foundation's artifact collection was transferred to the California Department of Parks and Recreation. In addition, six artifacts are on long-term loan to the California Department of Parks and Recreation and are currently in its possession. Archival materials remain under the Foundation's ownership and in its possession.

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
DECEMBER 31, 2025 AND 2024**

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, 2025 and 2024.

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, 2025 were as follows (Reviewed):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 371,417	\$ 371,417	\$ -	\$ -
Exchange-traded funds	907,544	907,544	-	-
International bonds	<u>238,604</u>	<u>-</u>	<u>238,604</u>	<u>-</u>
Total	<u>\$ 1,517,565</u>	<u>\$ 1,278,961</u>	<u>\$ 238,604</u>	<u>\$ -</u>

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>

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
DECEMBER 31, 2025 AND 2024**

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, 2025 (Reviewed):

	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 371,417	\$ 381,353
Exchange-traded funds	907,544	443,470
International bonds	<u>238,604</u>	<u>264,681</u>
Total Investments	<u>\$ 1,517,565</u>	<u>\$ 1,089,504</u>

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>

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

	<u>(Reviewed) December 31, 2025</u>	<u>(Audited) December 31, 2024</u>
Investment Income, net:		
Dividends/Interest	\$ 70,692	\$ 62,493
Realized capital gains/losses	26,078	17,366
Unrealized gains/losses	126,024	94,985
Fees	<u>(14,290)</u>	<u>(13,253)</u>
Total Investment Income, net	<u>\$ 208,504</u>	<u>\$ 161,591</u>

**POINT LOBOS FOUNDATION
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NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	(Reviewed) <u>December 31, 2025</u>	(Audited) <u>December 31, 2024</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>(102,679)</u>	<u>(98,386)</u>
Property and equipment, net	<u>\$ 3,535</u>	<u>\$ 7,828</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$4,292 and \$4,520, respectively.

NOTE 8: INTANGIBLE ASSETS

Intangible assets consisted of the following:

	(Reviewed) <u>December 31, 2025</u>	(Audited) <u>December 31, 2024</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>(13,583)</u>	<u>(11,583)</u>
Intangible assets, net	<u>\$ 3,417</u>	<u>\$ 5,417</u>

Amortization expense for the years ended December 31, 2025 and 2024 was \$2,000 and \$2,000, respectively.

**POINT LOBOS FOUNDATION
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NOTE 9: MERCHANDISE SALES, NET

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

	(Reviewed) December 31, 2025	(Audited) December 31, 2024
Sales	\$ 212,988	\$ 152,280
Less cost of goods sold	<u>114,566</u>	<u>80,379</u>
Merchandise sales, net	<u>\$ 98,422</u>	<u>\$ 71,901</u>

NOTE 10: FUNDRAISING EVENTS

Proceeds from fundraising events for the years ended December 31, 2025 and 2024 were \$6,959 and \$25,764, respectively.

NOTE 11: 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:

	(Reviewed) December 31, 2025	(Audited) December 31, 2024
Management and general:		
Donated rent	\$ -	\$ 7,200
Fundraising:		
Materials and supplies	<u>8,936</u>	<u>9,043</u>
Total contributed nonfinancial assets	<u>\$ 8,936</u>	<u>\$ 16,243</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.

NOTE 12: 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.

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 13: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2025 and 2024 consisted of the following:

	(Reviewed) <u>December 31, 2025</u>	(Audited) <u>December 31, 2024</u>
Sister Anna Voss Memorial Fund	\$ 227,335	\$ 245,887
Trail and facility maintenance	4,027	6,340
Information Station interpretive materials	2,000	2,182
Whalers Cabin	19,447	25,052
School outreach	-	13,722
Intern program and research	8,684	18,790
Restoration	86,474	83,861
Habitat conservation and protection	-	7,390
Office communications	9,419	9,879
Hudson House	-	3,132
Tribute Benches	31,500	-
Carmel River State Beach Fund	133,579	100,810
Docent Programs	<u>30,992</u>	<u>49,433</u>
Total Net Assets with Donor Restrictions	<u>\$ 553,457</u>	<u>\$ 566,478</u>

Net assets released from donor restrictions during the years ended December 31, 2025 and 2024 consisted of the following:

	(Reviewed) <u>December 31, 2025</u>	(Audited) <u>December 31, 2024</u>
Trail and facility maintenance	\$ 87,245	\$ -
Reserve Stewardship	-	119,529
Docent programs/school outreach	109,478	99,936
Whalers Cabin	5,605	-
Research	10,106	876
Habitat conservation and protection	22,845	-
Office communications	460	121
Hudson House	3,133	60,357
Tribute Benches	3,500	-
Carmel River State Beach Fund	<u>29,799</u>	<u>21,078</u>
Total Net Assets released from restrictions	<u>\$ 272,171</u>	<u>\$ 301,897</u>

**POINT LOBOS FOUNDATION
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NOTE 14: BOARD DESIGNATED NET ASSETS

Of the \$2,165,313 and \$1,705,882 net assets without donor restrictions, board designated net assets consisted of the following:

	(Reviewed) December 31, 2025	(Audited) December 31, 2024
General plan	\$ -	\$ 10,759
Liquidity reserve	150,000	150,000
Restoration	<u>80,879</u>	<u>80,879</u>
Total Board Designated Net Assets	<u>\$ 230,879</u>	<u>\$ 241,638</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, 2025, consisted of the following:

	(Reviewed) December 31, 2025	(Audited) December 31, 2024
Total Designated	\$ 250,000	\$ 250,000
Expended through the prior fiscal year	(239,241)	(200,154)
Replenishment of board designated funds	-	-
Expended in the current fiscal year	<u>(10,759)</u>	<u>(39,087)</u>
Total Board Designated Net Assets	<u>\$ -</u>	<u>\$ 10,759</u>

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

NOTE 15: CONCENTRATIONS

For the years ended December 31, 2025 and 2024, revenue received for membership dues was approximately 25% and 22% of total revenue, respectively.

NOTE 16: RELATED PARTY TRANSACTIONS

During the fiscal year ended December 31, 2025, the Organization made a contribution totaling \$59,846 to Park-IT! to support its general operations. A member of the Organization's management serves as Project Director and Grant Writer for Park-IT!, and therefore Park-IT! is considered a related party.

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, 2025, the Foundation provided the funding required by California State Parks. The Board had reserved net assets as designated for this commitment. (See Note 14).

**POINT LOBOS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 16, 2026, which is the date the financial statements were issued. Management has determined no other subsequent events requiring disclosure have occurred.