

GOLD COAST VETERANS FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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## Report of Independent Auditors

To the Board of Directors of  
Gold Coast Veterans Foundation

### ***Opinion***

We have audited the accompanying financial statements of Gold Coast Veterans Foundation (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Gold Coast Veterans Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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



*Sarna & Company*

*Certified Public Accountants*

Thousand Oaks, California

May 30, 2024

GOLD COAST VETERANS FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and Cash Equivalents	\$ 287,787	\$ 1,036,148
Grants Receivable, Net	-	121,261
Prepays and Other Current Assets	<u>4,072</u>	<u>2,405</u>
Total Current Assets	291,859	1,159,814
Property and Equipment, Net	22,850	27,050
Investments	<u>1,190,871</u>	<u>-</u>
Total Assets	<u>\$ 1,505,580</u>	<u>\$ 1,186,864</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Other Liabilities	<u>\$ 48,488</u>	<u>\$ 36,042</u>
Total Current Liabilities	48,488	36,042
SBA Loan	<u>499,900</u>	<u>499,900</u>
Total Liabilities	548,388	535,942
Net Assets		
Without Donor Restrictions	957,192	650,922
With Donor Restrictions	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 1,505,580</u>	<u>\$ 1,186,864</u>

See accompanying notes.

GOLD COAST VETERANS FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Grants and Contributions	\$ 1,084,339	\$ -	\$ 1,084,339
Contributed Nonfinancial Assets	145,384	-	145,384
Interest Income	256	-	256
Released from Restriction	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,229,979</u>	<u>-</u>	<u>1,229,979</u>
Expenses			
Management and General	710,039	-	710,039
Program Services	143,352	-	143,352
Fundraising	<u>76,263</u>	<u>-</u>	<u>76,263</u>
Total Expenses	<u>929,654</u>	<u>-</u>	<u>929,654</u>
Increase in Net Assets from Operations	300,325	-	300,325
Investment Income - Net	<u>5,945</u>	<u>-</u>	<u>5,945</u>
Change in Net Assets	306,270	-	306,270
Net Assets, Beginning of Year	<u>650,922</u>	<u>-</u>	<u>650,922</u>
Net Assets, End of Year	<u>\$ 957,192</u>	<u>\$ -</u>	<u>\$ 957,192</u>

See accompanying notes.

GOLD COAST VETERANS FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Grants and Contributions	\$ 438,186	\$ 2,500	\$ 440,686
Contributed Nonfinancial Assets	322,141	-	322,141
Interest Income	276	-	276
Other Income	52,330	-	52,330
Released from Restriction	<u>510,133</u>	<u>&lt;510,133&gt;</u>	<u>-</u>
Total Revenues	<u>1,323,066</u>	<u>&lt;507,633&gt;</u>	<u>815,433</u>
Expenses			
Management and General	719,364	-	719,364
Program Services	38,521	-	38,521
Fundraising	<u>101,148</u>	<u>-</u>	<u>101,148</u>
Total Expenses	<u>859,033</u>	<u>-</u>	<u>859,033</u>
Increase/<Decrease> in Net Assets from Operations	464,033	<507,633>	<43,600>
Investment Income - Net	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	464,033	<507,633>	<43,600>
Net Assets, Beginning of Year	<u>186,889</u>	<u>507,633</u>	<u>694,522</u>
Net Assets, End of Year	<u>\$ 650,922</u>	<u>\$ -</u>	<u>\$ 650,922</u>

See accompanying notes.

GOLD COAST VETERANS FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	Management and General	Fundraising	Total
Salaries and Wages	\$ 196,946	\$ 26,161	\$ 13,345	\$ 236,452
Programs	131,924	-	-	131,924
Professional and Legal Fees	72,780	72,263	6,842	151,885
Consulting Fees	15,454	14,658	40,106	70,218
Occupancy	43,604	1,938	2,907	48,449
Office Expense	32,760	884	9,090	42,734
Payroll Taxes	15,056	2,445	1,678	19,179
Insurance	16,549	1,941	-	18,490
Advertising and Promotion	14,969	1,756	-	16,725
Organization Expense	19,124	4,080	2,295	25,499
Dues and Subscriptions	-	8,082	-	8,082
Telecommunications	5,489	644	-	6,133
Bad Debt	-	4,300	-	4,300
Depreciation	-	4,200	-	4,200
In-kind Donations	<u>145,384</u>	<u>-</u>	<u>-</u>	<u>145,384</u>
Total Functional Expenses	<u>\$ 710,039</u>	<u>\$ 143,352</u>	<u>\$ 76,263</u>	<u>\$ 929,654</u>

See accompanying notes.



GOLD COAST VETERANS FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program	Management and General	Fundraising	Total
Salaries and Wages	\$ 147,072	\$ 21,412	\$ 12,175	\$ 180,659
Veterans Program	110,236	-	-	110,236
Professional Fees	269	31	61,743	62,043
Consulting Fees	38,338	-	13,282	51,620
Occupancy	38,600	1,716	2,573	42,889
Organization Expenses	22,682	1,134	4,536	28,352
Payroll Taxes	11,719	1,638	931	14,288
Insurance	8,980	1,054	-	10,034
Dues and Subscriptions	-	8,347	-	8,347
Telecommunications	5,859	687	-	6,546
Office Expense	5,413	636	-	6,049
Fundraising	-	-	5,908	5,908
Advertising and Promotion	4,485	526	-	5,011
Depreciation	3,570	630	-	4,200
Bank Merchant Fee	-	710	-	710
In-kind Donations	<u>322,141</u>	<u>-</u>	<u>-</u>	<u>322,141</u>
Total Functional Expenses	<u>\$ 719,364</u>	<u>\$ 38,521</u>	<u>\$ 101,148</u>	<u>\$ 859,033</u>

See accompanying notes.

GOLD COAST VETERANS FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 306,270	\$ <43,600>
Adjustments to Reconcile		
Change in Net Assets to Net Cash		
Provided by Operating Activities		
Depreciation	4,200	4,200
Changes in Operating Assets and Liabilities		
Grants Receivable	121,261	<28,576>
Inventory	-	1,500
Prepaid Expenses	<1,667>	<99>
Accounts Payable and Other Accrued Expenses	<u>12,446</u>	<u>26,320</u>
Net Cash Provided by		
Operating Activities	442,510	<40,255>
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	<u>&lt;1,190,871&gt;</u>	<u>478,900</u>
Change in Cash and Cash Equivalents	<748,361>	438,645
Cash and Cash Equivalents, Beginning of Year	<u>1,036,148</u>	<u>597,503</u>
Cash and Cash Equivalents, End of Year	<u>\$ 287,787</u>	<u>\$ 1,036,148</u>

See accompanying notes.

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1 - Organization

Gold Coast Veterans Foundation (the "Organization") is a nonprofit organization formed in 2009 in the state of California. The Organization's mission is to provide care, improve quality of life, and reduce or eliminate suffering and negative outcomes for American Military Veterans and their families who reside primarily in Ventura County. The Organization provides a comprehensive system of care to disrupt and defeat the chain of events that lead to negative health and life outcomes for Veterans using direct intervention to address and resolve the root causes and underlying issues before lives are damaged or lost. The Organization's financial support sources are primarily contributions from foundations, corporations, and individuals, as well as grants from local government and other entities.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of assets:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions are resources that are available for the general operations of the Organization and are not subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions* - Net assets with donor restrictions are resources that are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires through the passage of time or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. At December 31, 2022 and 2021, all of the Organization's net assets are unrestricted.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the financial statements for depreciation expense based on the estimated useful lives of the underlying assets and grants receivable.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with maturity of three months or less to be cash equivalents. On occasion throughout the year, cash and cash equivalent balances exceeded amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts.

Investments

Investments are reported at fair value based on quoted market prices and consist of money market funds, stocks, corporate bonds, exchange traded products, government securities, and mutual funds.

Grants Receivable

Grants receivable are recognized at fair value when an unconditional promise to give is received. Unconditional pledges receivable which are expected to be collected in one year are recorded at net realizable value. Management estimates the allowance for uncollectable pledges receivable based on current economic conditions, and current and past experience with the Organization's donor base. Management does not consider an allowance necessary at December 31, 2022 and 2021.

Property and Equipment

Purchase of property and equipment are recorded at cost. Depreciation is recorded on a straight-line basis over the following estimated useful lives: Vehicles 5 years and Office furniture and equipment 3 years.

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Organization reviews and evaluates long-lived assets for impairment when events or changes in circumstances indicate the related carrying amounts may not be recoverable. As of December 31, 2022 and December 31, 2021, no events or circumstances occurred that may indicate the related carrying values of assets may not be recoverable.

Revenue Recognition

Contributions are recognized as revenue without donor restrictions when the donor makes an unconditional promise to give. Conditional promises to give are not recognized until the conditions of the promise have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. At December 31, 2022 and 2021, all of the Organization's net assets are unrestricted.

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and the statements of functional expenses. Certain costs have been expensed directly to each function while other costs have been allocated among the programs and supporting services, based on estimates as determined by management.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are reflected in the financial statements at the estimated fair market value at the time of donation. Contributed nonfinancial assets recognized in the statement of activities totaled \$145,384 and \$322,141 for the years ended December 31, 2022 and December 31, 2021, respectively, and consist of advertising. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out its activities. These services do not meet the accounting standards to be recorded and have not been included in the financial statements.

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and not classified as a private foundation. Certain activities of the Organization are subject to federal unrelated business income tax and similar state provisions. An immaterial amount of unrelated business income tax was generated from these activities during the years ended December 31, 2022 and 2021.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and provides guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe the Organization has any uncertain tax positions. The Organization files informational returns. Generally, these returns are subject to examination by income tax authorities for three years from the filing of a return. The Organization has not paid any interest or penalties related to its income tax positions, and there are currently no audits for any tax periods in progress. Interest or penalties assessed by taxing authorities, if any, would be included with general and administrative expenses.

Note 3 - Liquidity

Financial assets available for general expenditure within one year of the statements of financial position date are comprised of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 287,787	\$ 1,036,148
Grants Receivable, Net	-	121,261
Investments	<u>1,190,871</u>	<u>-</u>
Total Financial Assets	<u>\$ 1,478,658</u>	<u>\$ 1,157,409</u>

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 4 - Property and Equipment, Net

A summary of property and equipment, net is as follows as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Property and Equipment	\$ 37,500	\$ 37,500
Less: Accumulated Depreciation	<u>&lt;14,650&gt;</u>	<u>&lt;10,450&gt;</u>
Property and Equipment, Net	<u>\$ 22,850</u>	<u>\$ 27,050</u>

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to \$4,200 and \$4,200, respectively.

Note 5 - Fair Value Measurements

GAAP provides the framework for measuring fair value. The classification of assets and liabilities within the fair value hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. At December 31, 2022, there were no liabilities measured at fair value.

The three levels of the fair value hierarchy under GAAP and the valuation methodologies used for assets are described below:

Level 1 Input to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 5 - Fair Value Measurements (Continued)

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

Level 3 Fair value is based on significant unobservable inputs.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the Organization's investments are in mutual funds and are classified within Level 1 of the fair value hierarchy as their fair value is determined using quoted market rates for which there is an active market for identical assets.

Note 6 - Investments

The investments held by the Organization, at fair value, as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Products (ETP)	\$ 596,972	\$ -	\$ -	\$ 596,972
Mutual Funds	302,527	-	-	302,527
Stocks	132,594	-	-	132,594
Money Market Funds	58,224	-	-	58,224
Government Securities	53,928	-	-	53,928
Corporate Bonds	<u>46,626</u>	<u>-</u>	<u>-</u>	<u>46,626</u>
Total	<u>\$1,190,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,190,871</u>

Investment income, net included the following for the year ended December 31, 2022 is as follows:

	<u>December 31, 2022</u>
Interest, Dividends, and Long-Term Capital Gains	\$ 15,948
Unrealized and Realized Losses on Investments	<u>&lt;10,003&gt;</u>
Investment Income - Net	<u>\$ 5,945</u>



GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 7 - Risks and Uncertainties

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and not-for-profits around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances. No provision for this uncertainty is provided for in these financial statements.

Note 8 - Concentrations

The Organization received a cash donation from an individual which represented approximately 59% of revenue and support during the year ended December 31, 2022. The Organization maintains its cash at various financial institutions. The balance may, at times, exceed the FDIC limits.

Note 9 - Net Asset Released from Restrictions

During the year ended December 31, 2021, net assets of \$510,133 were released from donor restrictions by incurring expenses satisfying their restricted purpose.

Note 10 - Commitments and Contingencies

Operating Leases

The Organization has entered into a lease for its facilities requiring minimum monthly lease payments of \$3,812. This lease expires on January 31, 2028. Minimum future annual lease commitments are as follows:

Year Ending December 31,	
2023	\$ 45,740
2024	45,740
2025	45,740
2026	45,740
2027	45,740
2028	3,812
	<u>\$ 232,512</u>

Lease payments are reported as rent expense and totaled \$48,449 and \$42,889 for the years ended December 31, 2022 and 2021, respectively.

GOLD COAST VETERANS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 11 - Related Parties

For the years ended December 31, 2022 and 2021, the Organization had no related-party transactions which were required to be disclosed in accordance with U.S. GAAP.

Note 12 - Date of Management's Review

Management has reviewed subsequent events through May 30, 2024, the date on which the financial statements were available to be issued.

Note 13 - Subsequent Events

Management has evaluated subsequent events occurring after December 31, 2022. No significant reportable subsequent events have been deemed to require disclosure or adjustment to the financial statements up through May 30, 2024, the date on which the financial statements were available to be issued.