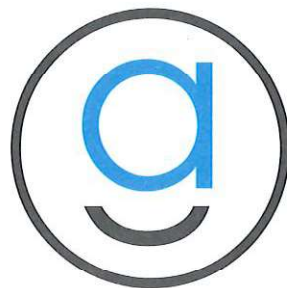


GOLD COAST VETERANS FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020



allison & gibb

CERTIFIED PUBLIC ACCOUNTANTS | LLP

GOLD COAST VETERANS FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statement of Financial Position December 31, 2020	3
Statement of Activities and Changes in Net Assets Year Ended December 31, 2020	4
Statement of Functional Expenses Year Ended December 31, 2020	5
Statement of Cash Flows Year Ended December 31, 2020	6
NOTES TO FINANCIAL STATEMENTS	7 - 13



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gold Coast Veterans Foundation
Camarillo, California

We have audited the accompanying financial statements of Gold Coast Veterans Foundation (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gold Coast Veterans Foundation as of December 31, 2020, 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.

Allison & Gibb LLP

ALLISON & GIBB, LLP

Westlake Village, California

August 11, 2022

GOLD COAST VETERANS FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS:

Cash	\$ 597,503
Grant receivable	86,060
Pledges receivable	6,625
Prepaid expenses and other current assets	3,806
Total Current Assets	<u>693,994</u>

PROPERTY AND EQUIPMENT, net	<u>31,250</u>
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Total Assets	<u><u>\$ 725,244</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 9,722
Total Current Liabilities	<u>9,722</u>

PPP LOAN PAYABLE	<u>21,000</u>
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Total Liabilities	30,722
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NET ASSETS:

Without donor restrictions	186,889
With donor restrictions	507,633
Total Net Assets	<u>694,522</u>

Total Liabilities and Net Assets	<u><u>\$ 725,244</u></u>
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*See Accompanying Independent Auditor's Report
and Notes to Financial Statements*

GOLD COAST VETERANS FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
REVENUE AND SUPPORT:			
Contributions	\$ 375,950	\$ 507,633	\$ 883,583
In-kind contributions	174,184	-	174,184
Other loss	(884)	-	(884)
Total Revenue and Support	<u>549,250</u>	<u>507,633</u>	<u>1,056,883</u>
EXPENSES:			
Program services	416,365	-	416,365
Management and general	39,424	-	39,424
Fundraising	72,011	-	72,011
Total Expenses	<u>527,800</u>	<u>-</u>	<u>527,800</u>
Change in Net Assets	21,450	507,633	529,083
NET ASSETS - Beginning of Year	<u>165,439</u>	<u>-</u>	<u>165,439</u>
NET ASSETS - End of Year	<u>\$ 186,889</u>	<u>\$ 507,633</u>	<u>\$ 694,522</u>

*See Accompanying Independent Auditor's Report
and Notes to Financial Statements*

GOLD COAST VETERANS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>TOTAL</u>
Advertising and promotion	\$ -	\$ -	\$ 40,000	\$ 40,000
Consulting services	35,545	73	13,282	48,900
Depreciation	3,759	441	-	4,200
Dues and subscriptions	1,088	4,712	-	5,800
Fundraising	-	-	3,825	3,825
Goods and supplies provided to veterans	82,140	-	-	82,140
Insurance	1,953	229	-	2,182
Office expenses	4,554	3,621	-	8,175
Printing and postage	1,786	-	-	1,786
Professional fees	-	6,484	-	6,484
Program costs	114,145	-	-	114,145
Rent	37,827	1,681	2,522	42,030
Salaries and wages	129,480	21,703	12,382	163,565
Telephone	4,088	480	-	4,568
Total Functional Expenses	<u>\$ 416,365</u>	<u>\$ 39,424</u>	<u>\$ 72,011</u>	<u>\$ 527,800</u>

*See Accompanying Independent Auditor's Report
and Notes to Financial Statements*

GOLD COAST VETERANS FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 529,083
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,200
Changes in operating assets and liabilities	
(Increase) decrease in assets:	
Grant receivable	(86,060)
Pledges receivable	21,685
Prepaid expenses and other current assets	(1,979)
Increase (decrease) in liabilities:	
Accounts payable	(884)
Net Cash Provided by Operating Activities	<u>466,045</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	<u>(15,500)</u>
Net Cash Used for Investing Activities	<u>(15,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Borrowing under PPP loan	<u>21,000</u>
Net Cash Provided by Financing Activities	<u>21,000</u>
Net Increase in Cash	471,545
CASH - Beginning of Year	<u>125,958</u>
CASH - End of Year	<u>\$ 597,503</u>

*See Accompanying Independent Auditor's Report
and Notes to Financial Statements*

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

**1. NATURE OF OPERATIONS
AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Gold Coast Veterans Foundation (the “Organization”) was organized in September 2009 to provide care, improve quality of life, and reduce or eliminate suffering and negative outcomes for American Military Veterans and their families located 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 receives contributions from individuals, businesses and other charitable organizations, as well as grants from local government and other entities. The Organization continued to operate during the Covid-19 pandemic with little disruption to the services they provide, however, the Organizations fundraising was limited as a result of the cancellation of planned events.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which also requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.
- **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by action of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities and Changes in Net Assets.

See Accompanying Independent Auditor’s Report

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

**1. NATURE OF OPERATIONS
AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could substantially differ from those estimates.

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 on which they depend 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

Concentrations of Risk

The Organization received revenue and support under one grant which represented approximately 8% of total revenue and support and 100% of the grant receivable at December 31, 2020. The Organization also received a cash donation from an individual which represented approximately 49% of revenue and support.

The Organization maintains its cash at various financial institutions. The balance may, at times, exceed the Federal Deposit Insurance Corporation ("FDIC") limits.

Pledges Receivable

Pledges 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 uncollectible 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, 2020.

See Accompanying Independent Auditor's Report

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

**1. NATURE OF OPERATIONS
AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded at estimated fair value on the date of receipt. Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Depreciation is recorded on a straight-line basis over the following estimated useful lives:

Vehicles	5 years
Office furniture and equipment	3 years

Income Taxes

The Organization is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has determined at December 31, 2020 that there were no material uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements.

In-kind Contributions

Non-cash donations are recognized as contributions when received at their estimated fair value. Non-cash donations of medical equipment, medical devices, home furnishings, appliances, and clothing recognized as contributions totaled \$82,140 during 2020. Contributed services that create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills are recognized as support. Contributed services valued at \$92,044 were provided by volunteers possessing such skills during 2020. The value of contributed time that does not meet the criteria for recognition as support is not reflected in the financial statements.

Functional Expense Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying Statements of Activities and Changes in Net Assets and 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.

See Accompanying Independent Auditor's Report

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

**1. NATURE OF OPERATIONS
AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public entities, the standard is effective for fiscal years beginning after December 15, 2021, and interim periods beginning the following year. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the Organization’s financial statements and related disclosures.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958). This ASU has new requirements for presentation and disclosure of contributed nonfinancial assets. The standard is effective for non-profit organizations for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The new standard must be applied on a retrospective basis. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the Organization’s financial statements and related disclosures.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the Statement of Financial Position date are comprised of the following at December 31, 2020:

Cash	\$ 597,503
Grant receivable	86,060
Pledges receivable	<u>6,625</u>
Total Financial Assets	690,188
Less amounts unavailable for general expenditures in one year, due to:	
Donor restrictions	<u>507,633</u>
Total Financial Assets Available to Management for General Expenditures within One Year	<u>\$ 182,555</u>

As part of the Organization’s liquidity management, financial assets are structured to be available as its general expenditures, liabilities, and other obligations become due.

See Accompanying Independent Auditor’s Report

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

3. CONDITIONAL PROMISES TO GIVE

HHAP Grant

The Organization received a grant for \$129,785 from the County of Ventura under California's Homeless Housing Assistance and Prevention program (HHAP Grant). Revenue is recognized under the grant when costs are submitted for reimbursement. Revenue recognized under the grant during 2020 was \$86,060 which is included in grants receivable and contributions at December 31, 2020. The remaining available balance under the grant of \$43,725 is expected to be recognized during 2021.

4. PROPERTY AND EQUIPMENT, net

Property and equipment at December 31, 2020 are as follows:

Vehicles		\$ 36,500
Office equipment		1,000
		37,500
Total		37,500
Less: Accumulated depreciation		(6,250)
Property and Equipment, Net		\$ 31,250

Depreciation expense was \$4,200 for the year ended December 31, 2020.

5. PPP LOAN PAYABLE

The Organization borrowed \$21,000 under the Paycheck Protection Program ("PPP") of the CARES Act on May 7, 2020. The note bears interest at 1% per annum. Interest is deferred for the first six months and is payable with principal in monthly installments of principal and interest beginning in the seventh month. Any remaining principal and interest is due on May 7, 2022. Under the terms of the PPP, the Organization requested forgiveness of the loan which is subject to approval by the Small Business Administration. The loan was forgiven in January 2021.

6. RESTRICTED NET ASSETS

As of December 31, 2020, the Organization had restricted net assets as follows:

Restricted by donors for the following purposes:

Veterans Village		\$ 500,000
Mobile Veterans Outreach Vehicle		7,633
		507,633
Total Restricted Net Assets		\$ 507,633

See Accompanying Independent Auditor's Report

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

7. OPERATING LEASE

The Organization leases its facility in Camarillo, California under a non-cancellable operating lease that includes two five-year options to renew. The Organization is currently leasing the facility under the first five-year renewal option which expires in 2023. Rent is adjusted annually for increases, if any, in the Consumer Price Index. The lease requires payment of certain additional expenses including utilities, property taxes and other operating expenses. Rent expense was \$42,030 for the year ended December 31, 2020.

The Organization is committed to annual minimum rental payments as follows:

<u>Years Ending December 31,</u>	
2021	\$ 39,369
2022	39,369
2023	<u>3,281</u>
	<u>\$ 82,019</u>

8. RELATED PARTIES

A relative of a board member provides bookkeeping services to the Organization. Bookkeeping services were \$5,950 for the year ended December 31, 2020. Accounts payable includes \$1,000 due to the bookkeeper at December 31, 2020.

9. RISKS AND UNCERTANTIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (“COVID-19”) a pandemic and declared the outbreak to constitute a “Public Health Emergency of International Concern”. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries on a global scale. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and new strains of the virus, impacts on its donors, employees, and vendors, all of which are uncertain and cannot be predicted. While management expects the disruption to be temporary, at this point, the extent to which COVID-19 may impact the Organization’s financial condition or results of operations is uncertain.

See Accompanying Independent Auditor’s Report

GOLD COAST VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

10. SUBSEQUENT EVENTS

On March 29, 2021, the Organization borrowed an additional \$31,330 under the PPP. The note bears interest at 1% per annum and is due on March 29, 2026. Under the terms of the PPP loan, payments of principal and interest are due to begin no later than 24 weeks after the loan disbursement date if forgiveness of the loan has not been requested. The Organization requested forgiveness of the loan, subject to approval by the Small Business Administration, and the loan was forgiven in September 2021.

On December 3, 2021, the Organization borrowed \$500,000 from the U.S. Small Business Administration under its Economic Injury Disaster Loan assistance program in light of the impact of the Covid-19 pandemic on the Organization's operations. As specified in the loan documents, the proceeds are to be used for working capital purposes. The note is payable in monthly installments of \$2,244, including principal and interest at 2.75% per annum, beginning twenty-four months from the date of the note. The loan is collateralized by a security interest in substantially all of the assets of the Organization.

On March 30, 2022, a homeless Veteran filed a civil action against the Organization and two of its employees. Management believes the matter is without merit and does not believe the Organization will incur any material liability, if any, as a result of this matter.

The Organization has evaluated subsequent events through August 11, 2022, which is the date the financial statements were available to be issued.