

Coastside Hope
(a not-for-profit
corporation)

Financial Statements
and
Independent Auditors'
Report

For the Years Ended
June 30, 2025 and 2024



Coastside Hope
Neighbors Helping Neighbors In Need...

**Coastside Hope
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Independent Auditors' Report

To the Board of Directors and Management
Coastside Hope
Half Moon Bay, California

Opinion

We have audited the financial statements of Coastside Hope, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Coastside Hope as of June 30, 2025 and 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coastside Hope 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 Coastside Hope's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Coastside Hope'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 Coastside Hope'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.

A handwritten signature in black ink that reads "BryMar".

Cupertino, California
December 30, 2025

**Coastside Hope
Statement of Financial Position**

June 30, 2025

| | <u>Without donor restriction</u> | <u>With donor restriction</u> | <u>Total</u> |
|---|--------------------------------------|-----------------------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 1,496,810 | \$ 238,890 | \$ 1,735,700 |
| Investments | 4,223,226 | - | 4,223,226 |
| Interest receivable | 66,800 | - | 66,800 |
| Government grants receivable | 134,299 | 66,293 | 200,592 |
| Community grants receivable | 407,716 | 313,750 | 721,466 |
| Inventory | 27,258 | - | 27,258 |
| Prepays | 42,807 | - | 42,807 |
| Deposits | 5,448 | - | 5,448 |
| Total current assets | 6,404,364 | 618,933 | 7,023,297 |
| Property and equipment, net | 3,975,427 | - | 3,975,427 |
| Right-of-use asset | 41,656 | - | 41,656 |
| Total assets | <u>\$ 10,421,447</u> | <u>\$ 618,933</u> | <u>\$ 11,040,380</u> |
| LIABILITIES AND NET ASSETS | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | \$ 124,761 | \$ - | \$ 124,761 |
| Current portion of lease liability | 9,686 | - | 9,686 |
| Total current liabilities | 134,447 | - | 134,447 |
| Long-term debt | 2,703,050 | - | 2,703,050 |
| Lease liability, net of current portion | 31,970 | - | 31,970 |
| Rental deposits | 5,000 | - | 5,000 |
| Total liabilities | 2,874,467 | - | 2,874,467 |
| Net assets | | | |
| Without donor restrictions | 7,546,980 | - | 7,546,980 |
| With donor restrictions | - | 618,933 | 618,933 |
| Total net assets | 7,546,980 | 618,933 | 8,165,913 |
| Total liabilities and net assets | <u>\$ 10,421,447</u> | <u>\$ 618,933</u> | <u>\$ 11,040,380</u> |

See independent auditors' report and accompanying notes to the financial statements.

**Coastside Hope
Statement of Financial Position**

June 30, 2024

| | <u>Without donor restriction</u> | <u>With donor restriction</u> | <u>Total</u> |
|---|--------------------------------------|-----------------------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 1,227,881 | \$ 290,999 | \$ 1,518,880 |
| Investments | 3,003,223 | - | 3,003,223 |
| Interest receivable | 51,962 | - | 51,962 |
| Accounts receivable | - | 8,250 | 8,250 |
| Government grants receivable | 119,152 | 51,063 | 170,215 |
| Community grants receivable | 55,000 | 125,000 | 180,000 |
| Inventory | 13,242 | - | 13,242 |
| Prepays | 42,697 | - | 42,697 |
| Deposits | 5,000 | - | 5,000 |
| Total current assets | <u>4,518,157</u> | <u>475,312</u> | <u>4,993,469</u> |
| Property and equipment, net | 4,116,027 | - | 4,116,027 |
| Right-of-use asset | 1,306 | - | 1,306 |
| Total assets | <u>\$ 8,635,490</u> | <u>\$ 475,312</u> | <u>\$ 9,110,802</u> |
| LIABILITIES AND NET ASSETS | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | \$ 134,575 | \$ - | \$ 134,575 |
| Current portion of lease liability | 1,306 | - | 1,306 |
| Deferred revenue | 25,000 | - | 25,000 |
| Total current liabilities | <u>160,881</u> | <u>-</u> | <u>160,881</u> |
| Long-term debt | 3,516,000 | - | 3,516,000 |
| Lease liability, net of current portion | - | - | - |
| Rental deposits | 8,455 | - | 8,455 |
| Total liabilities | <u>3,685,336</u> | <u>-</u> | <u>3,685,336</u> |
| Net assets | | | |
| Without donor restrictions | 4,950,154 | - | 4,950,154 |
| With donor restrictions | <u>-</u> | <u>475,312</u> | <u>475,312</u> |
| Total net assets | <u>4,950,154</u> | <u>475,312</u> | <u>5,425,466</u> |
| Total liabilities and net assets | <u>\$ 8,635,490</u> | <u>\$ 475,312</u> | <u>\$ 9,110,802</u> |

See independent auditors' report and accompanying notes to the financial statements.

Coastside Hope
Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2025

| | Without donor restrictions | With donor restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| REVENUE AND SUPPORT | | | |
| Community contributions of financial assets | \$ 2,337,275 | \$ 1,714,331 | \$ 4,051,606 |
| Immigration fees | 68,390 | - | 68,390 |
| Grants | 406,411 | - | 406,411 |
| Contributions of nonfinancial assets | 782,145 | - | 782,145 |
| Total revenue and support | 3,594,221 | 1,714,331 | 5,308,552 |
| Net asset released from restrictions | 1,570,710 | (1,570,710) | - |
| Total revenues and support with net asset released from restrictions | 5,164,931 | 143,621 | 5,308,552 |
| EXPENSES | | | |
| Program services | 3,090,551 | - | 3,090,551 |
| Management and general | 159,482 | - | 159,482 |
| Fundraising | 49,194 | - | 49,194 |
| Total expenses | 3,299,227 | - | 3,299,227 |
| OTHER INCOME (EXPENSES) | | | |
| Rental income | 112,083 | - | 112,083 |
| Gain on investments | 30,973 | - | 30,973 |
| Gain on sale of building | 597,788 | - | 597,788 |
| Sale expenses | (99,577) | - | (99,577) |
| Interest and dividend income | 185,819 | - | 185,819 |
| Interest expense | (95,964) | - | (95,964) |
| Total income (expenses) | 731,122 | - | 731,122 |
| Total change in net assets | 2,596,826 | 143,621 | 2,740,447 |
| Net assets, beginning of year | 4,950,154 | 475,312 | 5,425,466 |
| Net assets, end of year | <u>\$ 7,546,980</u> | <u>\$ 618,933</u> | <u>\$ 8,165,913</u> |

See independent auditors' report and accompanying notes to the financial statements.

Coastside Hope
Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2024

| | Without donor restrictions | With donor restrictions | Total |
|---|---------------------------------------|------------------------------------|--------------|
| REVENUE AND SUPPORT | | | |
| Community contributions of financial assets | \$ 524,955 | \$ 1,172,178 | \$ 1,697,133 |
| Immigration fees | 64,600 | - | 64,600 |
| Grants | 348,820 | - | 348,820 |
| Contributions of nonfinancial assets | 572,747 | - | 572,747 |
| Total revenue and support | 1,511,122 | 1,172,178 | 2,683,300 |
| Net asset released from restrictions | 1,227,675 | (1,227,675) | - |
| Total revenues and support with net asset released from restrictions | 2,738,797 | (55,497) | 2,683,300 |
| EXPENSES | | | |
| Program services | 2,411,570 | - | 2,411,570 |
| Management and general | 202,641 | - | 202,641 |
| Fundraising | 42,071 | - | 42,071 |
| Total expenses | 2,656,282 | - | 2,656,282 |
| OTHER INCOME (EXPENSES) | | | |
| Rental income | 143,660 | - | 143,660 |
| Other income | 1,300 | - | 1,300 |
| Gain on investments | 37,321 | - | 37,321 |
| Interest and dividend income | 159,521 | - | 159,521 |
| Interest expense | (101,725) | - | (101,725) |
| Total income (expenses) | 240,077 | - | 240,077 |
| Total change in net assets | 322,592 | (55,497) | 267,095 |
| Net assets, beginning of year | 4,627,562 | 530,809 | 5,158,371 |
| Net assets, end of year | \$ 4,950,154 | \$ 475,312 | \$ 5,425,466 |

See independent auditors' report and accompanying notes to the financial statements.

**Coastside Hope
Statement of Functional Expenses**

For the Year Ended June 30, 2025

| | Program Services | General and Administrative | Fundraising | Total |
|---|-----------------------------|---------------------------------------|--------------------|---------------------|
| Payroll and benefits | \$ 1,058,786 | \$ 23,633 | \$ 12,498 | \$ 1,094,917 |
| Professional services | 168,729 | 29,500 | - | 198,229 |
| Professional development and hospitality | 8,672 | - | - | 8,672 |
| Insurance | 34,530 | - | - | 34,530 |
| Property tax | 54,899 | - | - | 54,899 |
| Building repairs and maintenance | 57,859 | - | - | 57,859 |
| Storage rental | 9,600 | - | - | 9,600 |
| Utilities | 25,139 | - | - | 25,139 |
| Telephone | 9,672 | - | - | 9,672 |
| Postage and delivery | 5,192 | - | - | 5,192 |
| Printing and copying | 7,717 | - | - | 7,717 |
| Supplies | 17,912 | - | - | 17,912 |
| Marketing and fundraising | 25,116 | - | 36,696 | 61,812 |
| Adopt-a-Family | 77,540 | - | - | 77,540 |
| Safety Net program / rental assistance | 509,534 | - | - | 509,534 |
| Food bank | 43,136 | - | - | 43,136 |
| Immigration Program | 26,915 | - | - | 26,915 |
| Vehicle expenses | 4,263 | - | - | 4,263 |
| Rental property expenses | - | 56,074 | - | 56,074 |
| Bank charges | 3,041 | - | - | 3,041 |
| Nonfinancial donations | 768,129 | - | - | 768,129 |
| Taxes | - | 230 | - | 230 |
| Depreciation | 113,542 | 48,452 | - | 161,994 |
| Program travel | 1,665 | - | - | 1,665 |
| Membership dues | 2,925 | - | - | 2,925 |
| IT services | 37,569 | - | - | 37,569 |
| Miscellaneous expense | - | 1,593 | - | 1,593 |
| Community outreach | 18,469 | - | - | 18,469 |
| | \$ 3,090,551 | \$ 159,482 | \$ 49,194 | \$ 3,299,227 |

See independent auditors' report and accompanying notes to the financial statements.

Coastside Hope
Statement of Functional Expenses

For the Year Ended June 30, 2024

| | <u>Program Services</u> | <u>General and Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|---|-----------------------------|---------------------------------------|--------------------|---------------------|
| Payroll and benefits | \$ 935,617 | \$ 26,082 | \$ 20,350 | \$ 982,049 |
| Professional services | 125,670 | 32,800 | - | 158,470 |
| Professional development and hospitality | 18,672 | - | - | 18,672 |
| Insurance | 35,363 | - | - | 35,363 |
| Property tax | 12,554 | 9,080 | - | 21,634 |
| Building repairs and maintenance | 33,285 | 2,862 | - | 36,147 |
| Storage rental | 9,600 | - | - | 9,600 |
| Utilities | 38,564 | 1,774 | - | 40,338 |
| Telephone | 6,191 | - | - | 6,191 |
| Postage and delivery | 2,763 | - | - | 2,763 |
| Printing and copying | 5,915 | - | - | 5,915 |
| Supplies | 12,108 | - | - | 12,108 |
| Marketing and fundraising | 23,155 | - | 21,721 | 44,876 |
| Adopt-a-Family | 88,657 | - | - | 88,657 |
| Safety Net program / rental assistance | 233,413 | - | - | 233,413 |
| Food bank | 88,887 | - | - | 88,887 |
| Immigration Program | 27,224 | - | - | 27,224 |
| Vehicle expenses | 4,147 | - | - | 4,147 |
| Rental property expenses | - | 26,777 | - | 26,777 |
| Bank charges | 4,001 | - | - | 4,001 |
| Nonfinancial donations | 572,747 | - | - | 572,747 |
| Taxes | - | 200 | - | 200 |
| Depreciation | 77,956 | 62,691 | - | 140,647 |
| Program travel | 2,146 | - | - | 2,146 |
| Membership dues | 2,313 | - | - | 2,313 |
| IT services | 26,712 | - | - | 26,712 |
| Scholarship program | 6,000 | - | - | 6,000 |
| Miscellaneous expense | 16,770 | - | - | 16,770 |
| Capital campaign | 1,140 | 40,375 | - | 41,515 |
| | <u>\$ 2,411,570</u> | <u>\$ 202,641</u> | <u>\$ 42,071</u> | <u>\$ 2,656,282</u> |

See independent auditors' report and accompanying notes to the financial statements.

Coastside Hope Statement of Cash Flows

For the Year Ended June 30, 2025

| | Without donor restrictions | With donor restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Change in net assets | \$ 2,596,826 | \$ 143,621 | \$ 2,740,447 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | | | |
| Depreciation | 161,994 | - | 161,994 |
| Gain on investments | (30,973) | - | (30,973) |
| Gain on sale of building | (597,788) | - | (597,788) |
| Contributions restricted to building project | - | (333,684) | (333,684) |
| Debt paid through building sale | (1,000,000) | - | (1,000,000) |
| (Increase) decrease in operating assets: | | | |
| Interest receivable | (14,838) | - | (14,838) |
| Accounts receivable | - | 8,250 | 8,250 |
| Government grants receivable | (15,147) | (15,230) | (30,377) |
| Community grants receivable | (352,716) | (188,750) | (541,466) |
| Inventory | (14,016) | - | (14,016) |
| Prepays | (37,807) | - | (37,807) |
| Deposit | (5,448) | - | (5,448) |
| Increase (decrease) in operating liabilities: | | | |
| Accounts payable and accrued expenses | (9,814) | - | (9,814) |
| Deferred revenue | (25,000) | - | (25,000) |
| Rental deposits | (3,455) | - | (3,455) |
| Net cash provided by (used in) operating activities | 651,818 | (385,793) | 266,025 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property and equipment | (779,923) | - | (779,923) |
| Proceeds from investments | 397,034 | - | 397,034 |
| Acquisition of investments | - | - | - |
| Net cash provided by (used in) investing activities | (382,889) | - | (382,889) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Collections of contributions restricted to building project | - | 333,684 | 333,684 |
| Net cash provided by (used in) financing activities | - | 333,684 | 333,684 |
| Net increase (decrease) in cash and cash equivalents | 268,929 | (52,109) | 216,820 |
| Cash and cash equivalents, beginning of year | 1,227,881 | 290,999 | 1,518,880 |
| Cash and cash equivalents, end of year | \$ 1,496,810 | \$ 238,890 | \$ 1,735,700 |
| SUPPLEMENTAL CASH FLOW DISCLOSURES | | | |
| Cash paid for income taxes | \$ 200 | \$ - | \$ 200 |
| Cash paid for interest | \$ 95,964 | \$ - | \$ 95,964 |
| Nonfinancial asset contributions | \$ 782,145 | \$ - | \$ 782,145 |
| Nonfinancial asset distributions | \$ 768,129 | \$ - | \$ 768,129 |
| Operating cash flows from operating leases | \$ 6,118 | \$ - | \$ 6,118 |
| Debt paid through building sale | \$ 1,000,000 | \$ - | \$ 1,000,000 |

See independent auditors' report and accompanying notes to the financial statements.

Coastside Hope Statement of Cash Flows

For the Year Ended June 30, 2024

| | Without donor restrictions | With donor restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Change in net assets | \$ 322,592 | \$ (55,497) | \$ 267,095 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | | | |
| Depreciation | 140,647 | - | 140,647 |
| Donated securities | (17,600) | - | (17,600) |
| Gain on investments | (37,321) | - | (37,321) |
| Contributions restricted to building project | - | (185,200) | (185,200) |
| (Increase) decrease in operating assets: | | | |
| Interest receivable | (51,962) | - | (51,962) |
| Accounts receivable | - | (8,250) | (8,250) |
| Government grants receivable | (21,845) | 147,953 | 126,108 |
| Community grants receivable | 127,654 | 77,000 | 204,654 |
| Inventory | 16,769 | - | 16,769 |
| Prepays | (3,417) | - | (3,417) |
| Deposit | (5,000) | - | (5,000) |
| Increase (decrease) in operating liabilities: | | | |
| Accounts payable and accrued expenses | 4,585 | - | 4,585 |
| Deferred revenue | (25,000) | - | (25,000) |
| Net cash provided by (used in) operating activities | 450,102 | (23,994) | 426,108 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property and equipment | (165,252) | - | (165,252) |
| Proceeds from investments | 2,783,313 | - | 2,783,313 |
| Acquisition of investments | (2,969,723) | - | (2,969,723) |
| Net cash provided by (used in) investing activities | (351,662) | - | (351,662) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Collections of contributions restricted to building project | - | 185,200 | 185,200 |
| Net cash provided by (used in) financing activities | - | 185,200 | 185,200 |
| Net increase (decrease) in cash and cash equivalents | 98,440 | 161,206 | 259,646 |
| Cash and cash equivalents, beginning of year | 1,129,441 | 129,793 | 1,259,234 |
| Cash and cash equivalents, end of year | \$ 1,227,881 | \$ 290,999 | \$ 1,518,880 |
| SUPPLEMENTAL CASH FLOW DISCLOSURES | | | |
| Cash paid for income taxes | \$ 200 | \$ - | \$ 200 |
| Cash paid for interest | \$ 101,725 | \$ - | \$ 101,725 |
| Nonfinancial asset contributions | \$ 572,747 | \$ - | \$ 572,747 |
| Nonfinancial asset distributions | \$ 572,747 | \$ - | \$ 572,747 |
| Operating cash flows from operating leases | \$ 5,123 | \$ - | \$ 5,123 |
| Property and equipment acquired through liabilities | \$ 32,587 | \$ - | \$ 32,587 |

See independent auditors' report and accompanying notes to the financial statements.

Coastside Hope

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 - NATURE OF ACTIVITIES

Coastside Hope (the Organization), a not-for-profit corporation, was established in 1976 and operates in Half Moon Bay, California. Social service programs are the main focus of the Organization.

These programs include critical needs services for local low-income families and individuals, including food, clothing, rental and utilities assistance, shelter referral, infant needs and no cost tax preparation services. In addition, the Organization provides immigration and citizenship services to local immigrant workers under a program led by an Office of Legal Access Program accredited representative.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenue and support are recorded when earned and expenses when incurred and accordingly reflect all significant receivables, payables and other liabilities.

Basis of presentation

The Organization presents information regarding its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions consist of net assets that are for use in general operations and are not subject to donor (or certain grantor) restrictions. The governing board has designated from net assets without donor restrictions, net assets for capital campaign.
- Net assets with donor restrictions represent contributions whose use has imposed restrictions. The donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Funds donated to Coastside Hope's Adopt-a-Family holiday program are accounted for in a separate bank account, which is presented on the statements of financial position as donor-restricted.

Coastside Hope

Notes to Financial Statements

June 30, 2025 and 2024

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Receivables

All accounts receivable are deemed collectible by management. Based on management's assessment of the customers having outstanding balances and their past history, they concluded that losses on balances outstanding at year-end are unlikely. Management believes that all receivables will be collected within one year, therefore no allowance for credit losses has been recorded. The accounts receivable balance as of July 1, 2024 was \$0.

All grants and pledges receivable are deemed collectible by management. Based on management's assessment of the grantors having outstanding balances and their past history, they concluded that losses on balances outstanding at year-end are unlikely. Management believes that all receivables will be collected within one year, therefore no allowance for uncollectible grants and pledges has been recorded.

Inventory

Inventory consists of donated food received from Second Harvest Food Bank and from the community. Inventories are determined using the first in, first out method and are valued at the lower of cost or net realizable value.

Fair value of financial instruments

Financial instruments included in the Organization's statements of financial position as of June 30, 2025 and 2024 include cash and cash equivalents, investments, receivables, accounts payable and accrued expenses, and notes payable. The carrying amounts of these financial instruments represent a reasonable estimate of the corresponding fair values.

Prepays

Prepays consist of expenses paid before they are incurred including insurance and other operating expenses.

Deposits

The deposits consist of deposits for events and are expected to be returned within the next year.

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

Property and equipment

Land, buildings, office equipment, and vehicles are recorded at cost if purchased or at fair market value at date of gift, if donated. Assets over \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives. The estimated useful life ranges from 5 to 30 years, based on the nature of the asset.

| | |
|------------------------------------|------------|
| Building and building improvements | 5-30 years |
| Office equipment | 5-15 years |
| Vehicles | 5 years |

Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of amounts due for expenses incurred but not paid until the subsequent year as well as the accrual for wages and compensated absences.

Leases

The Organization elects to not recognize a lease liability or right-of-use asset for leases with a beginning lease term of 12 months or less.

Right-of-use assets

A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are amortized on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

Lease liabilities

At the commencement date of the lease, the Organization recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Organization uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

Revenue recognition – contracts with customers

In accordance with Accounting Standards Update (ASU) 2014-09, the Organization recognizes exchange revenue upon the transfer of goods or services to a customer at an amount that reflects the expected consideration to be received in exchange for those goods or services. Management uses judgment in evaluation of the following criteria: 1) the client simultaneously receives and consumes the benefits provided by the performance of the service; 2) the performance creates or enhances an asset that is under control of the client; 3) the performance does not create an asset with an alternative use to the Organization; 4) the Organization has an enforceable right to payment; and 5) the Organization's primary form of revenue is fixed-price arrangements. Fixed-price arrangements consist of revenues in which the customer agrees to pay a fixed fee over a specified contract term or recurring time. The Organization measures progress toward satisfaction of the performance obligation as the fixed-price arrangement services are provided. Payments received in advance of the Organization satisfying its performance obligation are recorded within deferred revenues in the accompanying statement of financial position.

Immigration revenue

The Organization earns revenue from program services and immigration services. The performance obligation is delivery of the program event or immigration application. The event or application fee is set by the Organization. The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606 requires allocation of the transaction price to the performance obligation(s). These items are considered to be one performance obligation and are recognized in the period in which the service is provided.

Revenue recognition - contributions and grants

Contributions and grants are recorded as without donor restricted or with donor restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are with donor-restriction are reclassified to net asset without donor restrictions upon satisfaction of the restrictions.

In accordance with GAAP, unconditional contributions are recognized as income in the fiscal year awarded, including funds from multi-year grants, which are included in donor-restricted net assets until they are disbursed and expensed in the applicable year of the grant designation. Conditional grants are recognized as income in the period all contingent terms of the awards are met. In 2023, the Organization received a conditional grant for \$20,000 and met the conditions for half of the grant. In 2024 the Organization met the conditions to recognize the remaining half.

For the years ending June 30, 2025 and 2024, net assets with donor restrictions totaling \$661,961 and \$645,512 respectively, were recognized as income, with the related funds disbursed, and expense recognized in subsequent fiscal years. Net assets with donor restrictions are time restricted or program specific; the funds will be disbursed as needed for the related programs or when the time restriction elapses.

Coastside Hope

Notes to Financial Statements

June 30, 2025 and 2024

Contributions of nonfinancial assets

The Organization records nonfinancial support including contributed assets and professional services. Contributed professional services are recognized if the services received (a) create or enhance a non-financial asset or (b) require specialized skills, provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized as nonfinancial asset donations at their fair market value. Contribution of foods are recognized at price per pound provided by Feeding America. The amounts reflected in the accompanying financial statements as nonfinancial contributions are offset by like amounts included in expense.

Rental income

Rental income is made up of rents earned during the year. The rental revenue is recognized when it is earned.

Other income allocations – with and without donor restrictions

All gains and losses arising from the sale, collection or other disposition of investments and fixed assets are accounted for in the fund that owned such assets according to restrictions placed on the original gift. Ordinary income derived from donor-restricted investments is accounted for in the donor-restricted fund.

Accounting for significant programs

The Organization's programs assist families and individuals with critical safety net needs and immigration services.

The Organization's programs are operated in conjunction with various partners and donors. The accounting for each program depends on the role of the partner or donor and the type of assistance provided.

Functional allocation of expenses

Functional classification allocates expenses according to the purpose for which the costs are incurred. Examples of functional classifications are program services (expenses directly related to the purpose for which the Organization exists) and supporting activities (those indirectly related to the purposes for which the Organization exists but necessary for its operations, i.e., management and general, and fundraising).

Tax exemption status

The Organization is exempt from federal and state income taxes under Sections 501(c)(3) of the Internal Revenue Code (IRC) and 23701(d) of the California Revenue and Taxation Code. The Organization pays unrelated business income tax on rental activities that are not related to its exempt purpose. For the years ended June 30, 2025 and 2024, the Organization's unrelated business income tax was \$0.

In accordance with GAAP, an organization must recognize the tax benefit associated with any tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The Organization does not believe there are any material uncertain tax positions. There were no tax related interest or penalties for the years ended June 30, 2025 and 2024.

Coastside Hope

Notes to Financial Statements

June 30, 2025 and 2024

Recent accounting pronouncements

Current expected credit losses — In June 2016, the FASB issued ASC 326 which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. In July 2025, the FASB amended this standard. The most significant change in this amendment is electing a practical expedient to assume current conditions will not change in the future and can consider collections after the statement of financial position when estimating credit losses. The amended standard is effective for years beginning after December 15, 2025. Early adoption is permitted. The Organization early adopted the standard effective July 1, 2024. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The Organization considers investment income without donor restrictions, appropriated earnings from donor-restricted and contributions without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, program expenses, and fundraising expenses to be paid in the subsequent year.

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions greater than one year and special time restricted projects outside of the Organization's core programs.

| | <u>2025</u> | <u>2024</u> |
|------------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,735,700 | \$ 1,518,880 |
| Investments | 4,223,226 | 3,003,223 |
| Interest receivable | 66,800 | 51,962 |
| Accounts receivable | - | 8,250 |
| Government grants receivable | 200,592 | 170,215 |
| Community grants receivable | 721,466 | 180,000 |
| Less: restricted cash | (238,890) | (290,999) |
| | <u>\$ 6,708,894</u> | <u>\$ 4,641,531</u> |

Coastside Hope

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 4 - INVESTMENTS

The Organization reports investments at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs.

The basis for the carrying value of investments is from information provided by broker managed accounts. Fair value measurements of investment instruments are based on open actively traded securities markets as reported by investment account broker statements.

The three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little to no market activity and that are significant to the fair value of the assets or liabilities.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

During 2025 and 2024, the Organization received gifts of stocks which were sold on the open market shortly after receipt. The Organization invests its money in US Treasury Bills and brokered certificates of deposit which are traded on the open market. The investments are shown at fair market value as of June 30, 2025 and 2024.

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

| | 2025 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant other unobservable inputs (Level 3) |
|---|---------------------|---|--|--|
| Publicly Traded - Certificates of Deposit | \$ 4,223,226 | \$ 4,223,226 | \$ - | \$ - |
| | <u>\$ 4,223,226</u> | <u>\$ 4,223,226</u> | <u>\$ -</u> | <u>\$ -</u> |
| | 2024 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant other unobservable inputs (Level 3) |
| Publicly Traded - US Treasury Bill | \$ 150,000 | \$ 150,000 | \$ - | \$ - |
| Publicly Traded - Certificates of Deposit | 2,853,223 | 2,853,223 | - | - |
| | <u>\$ 3,003,223</u> | <u>\$ 3,003,223</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTE 5 - PROPERTY AND EQUIPMENT

At June 30, 2025 and 2024, the value of the property and equipment and related accumulated depreciation is as follows:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Land | \$ 320,500 | \$ 707,216 |
| Building and building improvements | 3,846,927 | 3,966,487 |
| Office equipment | 79,799 | 67,162 |
| Vehicles | 75,194 | 75,194 |
| Less: accumulated depreciation and amortization | (346,993) | (700,032) |
| | <u>\$ 3,975,427</u> | <u>\$ 4,116,027</u> |

Depreciation expense for the years ended June 30, 2025 and 2024 was \$161,994 and \$140,647, respectively.

NOTE 6 - LEASES

The Organization entered into a lease agreement for a copier. The term of the lease is for five years, commencing October 21, 2019 and ending September 21, 2024, with a discount rate of 3.13%.

In December 2024, the Organization entered into a lease agreement for a copier. The term of the lease is for five years, commencing December 2024 and ending November 2029 with monthly payments of \$732.15.

In December 2024, the Organization entered into a lease agreement for a alarm system. The term of the lease is for three years, commencing December 2024 and ending November 2027 with monthly payments of \$75.

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

As of June 30, 2025, the leases had a weighted average discount rate of 0.14 percent and a weighted average lease term of 4.39 years.

Below are the carrying amounts of right-of-use assets recognized and the movements during the period:

| | Copier and Alarm |
|---------------|-------------------------|
| July 1, 2023 | \$ 6,429 |
| Additions | - |
| Amortization | (5,123) |
| July 1, 2024 | 1,306 |
| Additions | 46,468 |
| Amortization | (6,118) |
| June 30, 2025 | \$ 41,656 |

Below are the carrying amounts of lease liabilities and the movements during the period:

| | 2025 | 2024 |
|-----------------------|-------------|-------------|
| July 1 | \$ 1,306 | \$ 6,429 |
| Additions | 46,468 | - |
| Payments | (6,118) | (5,123) |
| June 30 | 41,656 | 1,306 |
| Less: current portion | (9,686) | (1,306) |
| Non-current | \$ 31,970 | \$ - |

The table below reconciles the fixed components of the undiscounted cash flows for each of the first five years and the total remaining years to the lease liabilities recorded on the statement of financial position as of June 30, 2025. Amounts due for the 12 months ended June 30 are as follows:

| | |
|------------------------------------|-----------|
| 2026 | \$ 9,686 |
| 2027 | 9,686 |
| 2028 | 9,236 |
| 2029 | 8,786 |
| 2030 | 4,393 |
| Total lease payments | 41,787 |
| Less: interest | (131) |
| Present value of lease liabilities | \$ 41,656 |

**Coastside Hope
Notes to Financial Statements**

June 30, 2025 and 2024

NOTE 7 - DEBT

At June 30, long-term debt consisted of the following:

| | 2025 | 2024 |
|---|--------------|--------------|
| Non-interest bearing note payable to San Mateo County Housing Division, secured by land & building. In November 2016, San Mateo County agreed to a due date in year 2055. | \$ 453,050 | \$ 266,000 |
| Interest bearing note payable to San Mateo County Housing Division, secured by land and building. In June 2023, San Mateo County agreed to a due date in year 2028. | 2,250,000 | 3,250,000 |
| | \$ 2,703,050 | \$ 3,516,000 |

The Organization entered into an agreement with the San Mateo County Housing Division (the County) to provide financing for their previous El Granada premises. Terms of the agreement provide in part for the Organization to repay in March 2055, the face value of the debt of \$266,000 plus an amount equal to a prorata share of the market value of the property in excess of the original cost, less the value of improvements made by the Organization during its period of occupancy. In April 2025, the Organization sold the building and the debt increased by \$187,050, for the County's prorata market appreciation.

The Organization entered into another agreement with San Mateo County Housing Division to provide financing for a new operating premises. The terms include, the face value of the debt of \$3,250,000 plus monthly interest payments of 3.13% per annum. The agreement includes a balloon payment clause that states in August 2028, the Organization is to repay the entire unpaid principal balance and all accrued but unpaid interest. Monthly interest payments commenced in August 2023 and end in August 2028. In April 2025, with the sale of its previous building the Organization paid down \$1,000,000 of the outstanding principal balance.

Future payments of principal for the years ended June 30:

| | | |
|------------|----|-----------|
| 2026 | \$ | - |
| 2027 | | - |
| 2028 | | - |
| 2029 | | 2,250,000 |
| 2030 | | - |
| Thereafter | | 453,050 |
| | \$ | 2,703,050 |

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

NOTE 8 - BOARD DESIGNATED NET ASSETS

The Board voted to designate 2 donations to be used for its capital campaign. Board designated net assets for the year ended June 30, 2025 consisted of the following:

| | 2024 | Additions | Releases | 2025 |
|------------------|-------------|------------------|-----------------|-------------|
| Capital Campaign | \$ - | \$ 75,000 | \$ (75,000) | \$ - |
| | \$ - | \$ 75,000 | \$ (75,000) | \$ - |

There were no board designated net assets during the fiscal year ended June 30, 2024.

NOTE 9 - DONOR RESTRICTED NET ASSETS

Donor-restricted net assets for the years ended June 30, 2025 and 2024 consisted of the following purposes:

| | 2024 | Additions | Releases | 2025 |
|----------------------|-------------|------------------|-----------------|-------------|
| Adopt-a-Family | \$ 89,249 | \$ 89,145 | \$ (77,521) | \$ 100,873 |
| Social Services Fund | 76,063 | 772,579 | (700,582) | 148,060 |
| Immigration Program | - | 78,923 | (78,923) | - |
| Capital Campaign | - | 333,684 | (333,684) | - |
| Time restricted | 310,000 | 440,000 | (380,000) | 370,000 |
| | \$ 475,312 | \$ 1,714,331 | \$ (1,570,710) | \$ 618,933 |

| | 2023 | Additions | Releases | 2024 |
|----------------------|-------------|------------------|-----------------|-------------|
| Adopt-a-Family | \$ 71,740 | \$ 106,167 | \$ (88,658) | \$ 89,249 |
| Social Services Fund | 233,021 | 487,784 | (644,742) | 76,063 |
| Immigration Program | 54,673 | 83,027 | (137,700) | - |
| Capital Campaign | - | 185,200 | (185,200) | - |
| Time restricted | 171,375 | 310,000 | (171,375) | 310,000 |
| | \$ 530,809 | \$ 1,172,178 | \$ (1,227,675) | \$ 475,312 |

NOTE 10 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets consist of contributed food from Second Harvest Food Bank and is not donor restricted. For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities and changes in net assets include:

| | 2025 | 2024 |
|------|-------------|-------------|
| Food | \$ 782,145 | \$ 572,747 |
| | \$ 782,145 | \$ 572,747 |

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

Food

Contributed food from government and non-government sources was utilized in the essential services and housing and family assistance programs. Contributed food was valued based on a cost study conducted for Feeding America.

Contributed non-government products were valued at \$1.90 and \$1.97 per pound for the years ended on June 30, 2025 and 2024, respectively. Contributed government products were valued at \$1.72 and \$1.74 per pound for the years ended on June 30, 2025 and 2024, respectively.

The Organization receives food from Second Harvest Food Bank for its Food Pantry, which is open daily except weekends and holidays. The Organization also receives food from community food drives conducted throughout the year and distributes the collected food through its Food Pantry. The following food assistance was received for the years ending June 30, 2025 and 2024. The related income and expense for each program is included in the Organization's financial statements.

| | 2025 | 2024 |
|--------------------------------|-------------|-------------|
| Food pantry | \$ 216,055 | \$ 199,702 |
| Community food drive donations | 566,090 | 373,045 |
| | \$ 782,145 | \$ 572,747 |

In addition, through the Organization's partnership with Second Harvest Food Bank, the Organization's employees and volunteers distribute food to eligible seniors and families on the second and fourth Mondays of every month through the Brown Bag food programs, respectively. The Organization's financial statements do not include the Brown Bag and Family Harvest donations received below:

| | 2025 | 2024 |
|---------------------------------------|-------------|-------------|
| Second Harvest Brown Bag program | \$ 123,582 | \$ 155,377 |
| Second Harvest Family Harvest program | 80,982 | 148,724 |
| | \$ 204,564 | \$ 304,101 |

The Organization arranges for rental and utilities assistance in coordination with San Mateo County Measure K, Community Action Agency Community Services Block Grant (CSBG) and other third-party programs. In addition, since 1986, the Organization has partnered with the San Francisco Chronicle as part of its annual Season of Sharing program. This program was discontinued in 2025. The Organization determines eligibility for these third-party run programs, however, related funds are distributed by the respective fiscal agents. Due to the nature of these transactions, the Organization does not recognize the related income or expense in its financial statements for these programs. Significant services provided for these programs for the years ending June 30, 2025 and 2024 are:

| | 2025 | 2024 |
|---|-------------|-------------|
| San Mateo County Measure K - Rental Assistance | \$ 77,734 | \$ 52,620 |
| Community Service Block Grant - Rental Assistance | 5,915 | 4,751 |
| Season of Sharing | 36,297 | 17,848 |
| | \$ 119,946 | \$ 75,219 |

Coastside Hope Notes to Financial Statements

June 30, 2025 and 2024

The Organization receives funds from donations to the Organization's Adopt-a-Family program for holiday needs assistance. In addition to the funds received, donors directly sponsor families and seniors anonymously and shop for needed holiday items. The Organization also receives private grants for rental and shelter assistance to meet critical housing needs of community residents.

The income and expenses for these programs are directly reported in the Organization's financial statements, with the exception of Adopt-a-Family in-kind gifts purchased directly by donors. Funds released for these programs for the years ending June 30, 2025 and 2024 are:

| | <u>2025</u> | <u>2024</u> |
|---------------------------|-------------------|-------------------|
| Adopt-a-Family | \$ 77,521 | \$ 88,657 |
| Rental/shelter assistance | 509,534 | 240,560 |
| | <u>\$ 587,055</u> | <u>\$ 329,217</u> |

The Organization provides free tax preparation assistance to low-income individuals and families. These services are primarily provided by qualified Organization volunteers as part of the Earn It! Keep it! \$Save It! Program, in conjunction with the Internal Revenue Service and United Way of the Bay Area. For fiscal years ending June 30, 2025 and 2024, the Organization's volunteers prepared 146 and 186 tax returns, respectively. The Organization includes related grant income and operating expenses for this program in its financial statements.

The Organization provides various other in-kind assistance, including diapers, toiletries, paper goods, school supplies, food for Thanksgiving dinners, winter coats and blankets, which are donated and distributed through a variety of programs. The Organization does not recognize income and expense for these in-kind donations in its financial statements.

In addition to safety net programs, the Organization provides low-cost immigration assistance and free citizenship classes to eligible individuals. The Organization includes income and expenses from these programs in its financial statements.

For the years ending June 30, 2025 and 2024, the Organization's programs assisted 2,222 and 1,968 households in the community, comprising 5,177 and 4,674 individuals, respectively.

For the years ending June 30, 2025 and 2024, the Organization's programs had 562 and 353 volunteers, respectively.

NOTE 11 - RETIREMENT PLAN

The Organization established a SIMPLE IRA plan on January 1, 2020 for eligible employees. The Organization can make discretionary matching contribution up to 3% of employee's salary. The Organization made \$16,998 and \$15,020 matching contribution for years ended June 30, 2025 and 2024, respectively.

NOTE 12 - RELATED PARTY

Storage space was rented from a board member to run the food bank program as well as storage space for other programs. For the year ended June 30, 2024, the board member was paid \$9,600. In April 2024 the board member retired from the board.

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

NOTE 13 - FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates all expenses based on a time allocation of the employees per month.

NOTE 14 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash, investment and receivables. The Organization maintains cash with commercial banks and other major financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance (FDIC) limits of \$250,000. In addition, uninvested cash is insured up to \$250,000 by the Security Investor Protection Corporation (SIPC) in the event of broker insolvency. For the year ended June 30, 2025, \$286,191 in cash and \$802,550 in investment exceeded federally insured limits. At the end of June 2025, the Organization purchased three FDIC insured certificates of deposit, totaling \$750,000, which had settlement dates in the first week of July 2025.

The credit risk associated with receivables is mitigated by the fact that the receivables are due from Organization members, local donors and governments.

For the years ended June 30, 2025 and 2024, there was one donor who contributed over 10 percent of revenue. For the years ended June 30, 2025 and 2024, there were five and three donors, respectively, who had outstanding receivable balances over 10 percent.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The Organization records an accrual for contingent liabilities when a liability is both probable and reasonably estimable. With regard to the San Mateo County Housing Division agreement, the liability related to the future market value of the property was not estimable and was not reflected in the financial statements at June 30, 2024. In 2025 the building was sold and the liability is included in debt at June 30, 2025. Refer to Note 8. The Organization is in compliance with both of the notes' specific loan covenant requirements for the years ended June 30, 2025 and 2024.

In 2025, the U.S. federal government proposed significant budget cuts aimed at reducing federal spending, resulting in uncertain economic conditions. These cuts primarily target mandatory spending programs that many not-for-profit organizations benefit from. The potential impacts of these budget cuts on the Organization include, but are not limited to, reduction in federal grants and contracts, increased demand for services, and operational adjustments. Management is actively monitoring the situation and evaluating potential strategies to address these uncertainties. However, the ultimate impact of the federal budget cuts on the Organization's financial position and operations cannot be fully determined at this time.

Coastside Hope
Notes to Financial Statements

June 30, 2025 and 2024

NOTE 16 - SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

Management evaluates events occurring subsequent to June 30, 2025 in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

No subsequent events require disclosure or recognition.