NATIONAL VETERANS FOUNDATION, INC.
FINANCIAL STATEMENTS

DECEMBER 31, 2024

NATIONAL VETERANS FOUNDATION, INC.

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MELISSA PETERSEN & COMPANY
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
National Veterans Foundation, Inc.

Opinion
I have audited the accompanying financial statements of the National Veterans Foundation, Inc. (a California nonprofit organization), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

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

Basis for Opinion
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of National Veterans Foundation, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 National Veterans Foundation, Inc.'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
My 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 my 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, including omissions, 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, I:

- 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 National Veterans Foundation, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Veterans Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Santa Barbara, California
November 15, 2025

NATIONAL VETERANS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

	2024
Current Assets	
Cash and cash equivalents	$ 142,293
Receivables	58,059
Other assets	5,545
Total Current Assets	205,897
Investments (Note 4)	2,301,725
Leased right of use asset - operating (Note 6)	27,771
Property and equipment (Note 5)	28,749
Total Assets	$ 2,564,142

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	$ 5,612
Accrued payroll and related expenses	22,243
Total Current Liabilities	27,855
Lease liability - operating (Note 6)	25,540
Total Liabilities	$ 53,395
Net Assets	
Without Donor Restrictions	2,510,747
With Donor Restrictions (Note 7)	-
Total Net Assets	2,510,747
Total Liabilities and Net Assets	$ 2,564,142

The accompanying notes are an integral part of this financial statement

NATIONAL VETERANS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Support and Revenue			
Contributions	$ 753,269	$ -	$ 753,269
In-Kind contributions (Note 8)	1,272,031	-	1,272,031
Investment income, net	35,436	-	35,436
Realized gain on investments	307,048	-	307,048
Unrealized loss on investments	(164,328)	-	(164,328)
Net assets released from restrictions			
Expiration of program restrictions	162,522	(162,522)	-
Total Support and Revenue	2,365,978	(162,522)	2,203,456
Expenses			
Program Services	2,085,575	-	2,085,575
Supporting Services			
Administrative	82,597	-	82,597
Fundraising	28,105	-	28,105
Total Supporting Services	110,702	-	110,702
Total Expenses	2,196,277	-	2,196,277
Change in Net Assets	169,701	(162,522)	7,179
Net Assets at Beginning of Year	2,341,046	162,522	2,503,568
Net Assets at End of Year	$ 2,510,747	$ -	$ 2,510,747

The accompanying notes are an integral part of this financial statement

NATIONAL VETERANS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Administrative	Fundraising	2024 Total
Salaries and wages	$ 474,515	$ 30,614	$ 5,102	$ 510,231
Payroll taxes	39,871	2,572	429	42,872
Total salary and related expenses	514,386	33,186	5,531	553,103
Advertising	23,823	-	11,733	35,556
Education and training	1,195	-	-	1,195
Insurance	31,156	5,842	1,947	38,945
Office expense	44,341	8,314	2,771	55,426
Outside services	48,750	-	-	48,750
Professional services	-	15,075	-	15,075
Program expenses	1,305,049	-	-	1,305,049
Rent	78,505	14,720	4,907	98,132
Telephone	10,611	1,990	663	13,264
Travel	2,615	-	-	2,615
Vehicle expense	8,840	1,658	553	11,051
Total Expenses Before Depreciation	2,069,271	80,785	28,105	2,178,161
Depreciation	16,304	1,812	-	18,116
Total Expenses	$ 2,085,575	$ 82,597	$ 28,105	$ 2,196,277

NATIONAL VETERANS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024
Cash Flows from Operating Activities	
Change in net assets	$ 7,179
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,116
Unrealized loss on investments	164,328
Changes in	
Receivables	(10,438)
Accounts payable and accrued expenses	(186)
Accrued payroll and related expenses	5,979
Net Cash Provided by Operating Activities	184,978
Cash Flows from Investing Activities	
Proceeds from sale of securities	2,110,941
Purchase of securities	(2,554,060)
Net Cash Used by Investing Activities	(443,119)
Net Decrease in Cash	(258,141)
Cash and Cash Equivalents, Beginning of Year	400,434
Cash and Cash Equivalents, End of Year	$ 142,293

NOTE 1: ORGANIZATION

The National Veterans Foundation's mission is to serve the crisis management, information, and referral needs of all U.S. Veterans and their families through:

- Management and operation of the nation's oldest toll-free, vet-to-vet helpline for all Veterans and their families.
- Public awareness programs that shine a consistent spotlight on the needs of America's Veterans.
- Outreach services that provide Veterans and families in need with food, clothing, transportation, employment, and other essential resources.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. The financial activity of the Organization is classified into net asset categories as follows:

Net Assets Without Donor Restrictions: Those net assets and activities which represent the portion of expendable funds available to support general operations. These net assets are received without donor-imposed restrictions. A portion of these net assets may be designated by the Board of Directors for specific purposes. Restricted contributions that are received and used in the same period are recorded as net assets without donor restrictions.

Net Assets With Donor Restrictions: Those net assets, contributions and other increases of funds temporarily or permanently subject to donor-imposed restrictions. Restrictions are temporary if they are expected to expire with the passage of time or be satisfied and removed by actions of the Organization that fulfills donor stipulations.

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States (U.S. GAAP).

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, including demand deposits and money market accounts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at market value. Investment income and gains and losses on investments are classified as unrestricted unless a donor or law temporarily or permanently restricts their use. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

The Organization records property and equipment at cost if purchased or at fair market value at time of contribution if donated and depreciates these assets using the straight-line method over their estimated useful lives. Vehicles are depreciated over five years, while furniture and office equipment are depreciated over periods of 5 to 7 years. Assets with a cost of $1,000 or more and useful life of more than one year are capitalized.

Taxes

The Organization has been granted tax exempt status by the Internal Revenue Service and the Franchise Tax Board under section 501(c)(3) and 23071d, respectively. The Organization is not considered a private foundation.

Contributions

Contributions and other inflows of funds are recognized as the funds are received or the donor has made an unconditional promise to give. Contributions with donor-imposed restrictions are recorded as increases in net assets with donor restrictions and are then reclassified as net assets without donor restrictions when the restrictions have been satisfied.

Donated Services

The Organization relies on volunteers to perform certain services for some of its programs. Because these services do not meet specified criteria for recognition as income and expense, the value of these services has not been included in the Statement of Activities.

Donated Goods

The Organization occasionally receives donated materials for use in its various programs. The Organization records these donations at their estimated fair market value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized by function in the Statement of Functional Expenses. Direct costs are charged directly to the appropriate program. Joint costs such as insurance, rent and facility maintenance are allocated by using the direct costs of each program. The allocations are based on current data.

Fair Value Measurements

The carrying value of current assets and current liabilities approximate fair value due to the short maturity of these instruments.

Accounting for Leases

The Organization records right-of-use (ROU) assets and corresponding lease liabilities on the balance sheet. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. For more information on the Organization’s lease arrangements refer to Note 6 — Leases.

NOTE 3: ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

Management believes that all receivables will be fully collectible and therefore no allowance for those receivables has been recorded.

NOTE 4: INVESTMENTS

The cost and market value of investments at December 31, 2024, are as follows:

	Cost	Market	Unrealized Gains
Mutual Funds	$ 273,183	$ 273,183	$ -
Exchange Traded Funds	2,018,787	2,012,687	(6,100)
Other Assets	15,855	15,855	-
Total Investments	$ 2,307,825	$ 2,301,725	$ (6,100)
Change in unrealized gain/(loss)			$ (164,328)

None of these financial instruments are held for trading purposes. The market values are from quoted prices in active markets for identical assets, as of December 31, 2024. Management has determined that, with this method of valuation, the investments are all categorized as Level 1, as defined by ASC 820.

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2024
Office equipment	$ 32,327
Vehicles	124,025
	156,352
Less: accumulated depreciation	(127,603)
Net Property and Equipment	$ 28,749

Depreciation expense for the year ended December 31, 2024 was $18,116.

NOTE 6: LEASES

The Organization operates out of two facilities in Los Angeles, California, which both have leases with initial noncancelable terms in excess of one year. The lease agreements do not include options to purchase the leased properties or any residual value guarantees. The significant terms of these leases are as follows:

Operating and administrative facility – lease commenced April 1, 2022 and ends March 31, 2025. No provision for lease renewal is made in the lease. The monthly lease payments at December 31, 2025 are $4,840. Future lease payments may increase in relation to CPI, but future amounts are indeterminable.

Warehouse facility – lease commenced September 1, 2022 and ends August 31, 2025. No provision for lease renewal is made in the lease. The monthly lease payments at December 31, 2025 are $1,823. Future lease payments may increase in relation to CPI, but future amounts are indeterminable.

As the Organization's incremental borrowing rate is not readily determinable, the Organization has elected to use the risk-free rate expedient in calculating the present value of the right of use asset and lease liability. At December 31, 2024 the 10-year Treasury rate was 4.580%.

Maturities of lease liabilities under noncancellable operating leases as of December 31, 2024 are as follows:

2025	$ 29,104
2026	-
2027	-
Total undiscounted lease payments	29,104
Less imputed interest	(1,333)
Total lease liabilities	$ 27,771

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

The Organization previously had a donor-restricted endowment fund. During the year ending December 31, 2024, the endowment fund distributed the remaining restricted balance to support operations, in accordance with the original donor's restrictions. Between 2005 and 2007, the Organization received $4,939,072 from a donor's estate. The donor permits the Organization to withdraw 5% of the original principal contributed each year. In addition, the Organization may withdraw income earned on the principal of the endowment fund. However, the terms of the endowment specify that income does not include appreciation on the principal.

Changes in the net assets with donor restrictions during the year ending December 31, 2024, were as follows:

	2024
Balance, beginning of year	$ 162,522
5% principal distribution	(247,788)
Interest and dividend income	21,598
Investment expense	(8,733)
Change in undistributed income	(21,598)
Realized and unrealized gains/losses	41,223
Total	$ - **

** As the distributable amounts exceed the available balance, the restricted balance at year end is recorded at zero.

NOTE 8: IN-KIND CONTRIBUTIONS

During the year ending December 31, 2024, the Organization received the following donated materials to use in its programs:

	2024
Clothing	$ 914,425
Sleeping supplies	132,400
Survival backpacks	108,750
Hygiene kits	72,750
Food and hydration	27,206
Personal appliances	16,500
Total	$ 1,272,031

NOTE 9: ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Significant estimates used in preparing these financial statements include:

- Depreciable lives of fixed assets
- Allocation of certain expenses by function
- Valuation of in-kind donations

It is at least reasonably possible that the significant estimates used will change within the next year.

NOTE 10: CONCENTRATION OF RISK

During the year ending December 31, 2024, the Organization received a donation from an unrelated organization that constituted 32% of total revenues, excluding in-kind contributions.

The Federal Deposit Insurance Corporation (FDIC) only insures the first $250,000 of funds on deposit with any one bank. The Organization occasionally does have more than $250,000 on deposit with financial institutions.

The Organization has certain investments and cash equivalents held at a broker-dealer, which is subject to the Securities Investor Protection Corporation (SIPC). Under SIPC, cash is insured up to $250,000 per broker-dealer, while other investments, including cash equivalents, are insured up to $500,000 per broker-dealer.

NOTE 11: LIQUIDITY AND AVAILABLE RESOURCES

The Organization has $206,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of substantially cash and cash equivalents of $142,000, receivables of $58,000 and other assets of $6,000. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The contribution receivables are subject to implied time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expense, which are, on average, approximately $158,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2025, which is the date that the financial statements were issued. Management has determined that no subsequent events requiring disclosure or significantly impacting disclosure have occurred.