



Veritas Foundation
(A Washington Not-for-Profit Organization)

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

For the Year Ended
December 31, 2022



VERITAS FOUNDATION

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Veritas Foundation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2022, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to read "MPK".

Murrieta, California
May 19, 2023

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VERITAS FOUNDATION
Statement of Financial Position
December 31, 2022

ASSETS

Current assets:

Cash and cash equivalents \$ 83,002

Total Assets \$ 83,002

LIABILITIES AND NET ASSETS

Net Assets

Without donor restrictions \$ 83,002

Total Liabilities and Net Assets \$ 83,002

See accompanying independent accountant's compilation report

VERITAS FOUNDATION*Statement of Activities**For the Year Ended December 31, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions and donations	\$ 92,875	\$ 29,925	\$ 122,800
In-kind contributions	1,500	-	1,500
Interest income	6	-	6
Net assets released from restrictions	29,925	(29,925)	-
Total revenues, gains, and other support	124,306	-	124,306
Expenses			
Program services:			
Building and repairs	92,454	-	92,454
Food, clothing, and healthcare	24,170	-	24,170
Education and training	6,523	-	6,523
Management and general	6,386	-	6,386
Fundraising and development	5,288	-	5,288
Total expenses	134,821	-	134,821
Change in net assets	(10,515)	-	(10,515)
Net Assets			
Beginning of period	93,517	-	93,517
End of period	<u>\$ 83,002</u>	<u>\$ -</u>	<u>\$ 83,002</u>

See accompanying independent accountant's compilation report

VERITAS FOUNDATION

Statement of Functional Expenses

For the Year Ended December 31, 2022

	Program Services			Supporting Services		Total Expenditures
	Building and Repairs	Food, Clothing, and Healthcare	Education and Training	Management And General	Fundraising and Development	
Travel	\$ 18,289	\$ 4,781	\$ 1,290	\$ -	\$ -	\$ 24,360
Bank and merchant fees	-	-	-	2,025	3,549	5,574
Office expense	-	-	-	2,161	-	2,161
Advertising and promotion	-	-	-	-	1,739	1,739
Professional services	-	-	-	1,779	-	1,779
Meals	-	-	-	334	-	334
Insurance	-	-	-	67	-	67
Licenses and fees	-	-	-	20	-	20
Total expenses before gifts and grants made to others	18,289	4,781	1,290	6,386	5,288	36,034
Gifts and grants made to others						
Capital projects	48,759	-	-	-	-	48,759
Contract labor	11,843	-	-	-	-	11,843
Repairs and maintenance	13,563	-	-	-	-	13,563
Food and clothing	-	15,807	-	-	-	15,807
Healthcare services	-	3,582	-	-	-	3,582
Scholarships	-	-	3,598	-	-	3,598
Training and education	-	-	1,635	-	-	1,635
Total gifts and grants made to others	74,165	19,389	5,233	-	-	98,787
Total Expenses	\$ 92,454	\$ 24,170	\$ 6,523	\$ 6,386	\$ 5,288	\$ 134,821

See accompanying independent accountant's compilation report

VERITAS FOUNDATION
Statement of Cash Flows
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets \$ (10,515)

Net increase (decrease) in cash (10,515)

Cash

Beginning of period 93,517

End of period \$ 83,002

See accompanying independent accountant's compilation report

VERITAS FOUNDATION

Notes to Financial Statements

For the Year Ended December 31, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Veritas Foundation was established in 2019. The Foundation's mission is to provide financial, material, and spiritual support to feed the hungry, shelter the poor, clothe the destitute, and bring God's Word to all parts of the World.

Members of the Board and certain volunteers travel to Sierra Leone frequently throughout the year. We travel with several goals in mind: 1) show the love of Jesus firsthand to those we serve, 2) determine where we can expand our ministering opportunities, 3) provide additional oversight in the daily financial audit process, and 4) encourage volunteers to love and continue to help those we serve.

The Organization is funded primarily through donations and contributions.

Basis of Presentation and Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (US GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958 addresses general-purpose external financial statements appropriate for not-for-profit organizations. The Organization does not use fund accounting.

Under the provisions of the ASC 958, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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 either by the actions of the not-for-profit Organization to satisfy a particular purpose restriction, or by the passage of time. Some donor restrictions are perpetual (or permanent) in nature, whereby the donor has stipulated the funds be maintained in perpetuity, whereby the corpus of the donation must remain unspent.

VERITAS FOUNDATION

Notes to Financial Statements

For the Year Ended December 31, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements

1. *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, Accounting Standards Update (ASU) 2020-07

This ASU issued in September 2020 affects the presentation and disclosure requirements for measurement of contributed nonfinancial assets (or gifts-in-kind) for not-for-profit organizations to enhance transparency and understanding of the resources received and how they are used. The standard is effective for annual reporting periods beginning after June 15, 2021 and should be applied on a retrospective basis. The Organization has implemented this standard in the current year.

Cash and Cash Equivalents

The Organization considers cash on hand, certificates of deposit with original maturity dates of three months or less at the date of investment, as well as money market funds and other similar instruments readily convertible to cash to be cash and cash equivalents.

Revenue Recognition in Accordance with ASC 605: Topic 958 Not for Profit Entities

The Organization accounts for the below contributions in accordance with *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, Accounting Standards Update (ASU) 2018-08 Contribution revenue and bequests are accounted for under ASC Topic 958-605, *Not-for-Profit Entities, Revenue Recognition*.

Contributions

In line with this standard, contributions are recognized at their respective fair values upon receipt of cash or unconditional promises to give. If substantial barriers exist creating conditions that must be met prior to recognition, the Organization will not recognize contributions until the substantial barriers are lifted and conditions are met. Management elects the net asset release policy option for contributions with donor restrictions. As part of this election, the Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

In-Kind Contributions of Goods and Other Noncash Items

Donated materials, supplies, and other noncash items are recorded as in-kind contributions at their estimated fair value, in accordance with FASB ASC 958-605-30, at the date the contribution is made. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose, whereby they are reported as increases to net assets with donor

VERITAS FOUNDATION

Notes to Financial Statements

For the Year Ended December 31, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

restrictions. For the year ending December 31, 2022, the organization has recognized \$1,500 for in-kind gifts received. These were comprised of books with estimated fair value of \$1,500.

Contributed Services

The Organization follows the recognition criteria for contributed services as stated in FASB ASC 958-605-25. As such only certain services, such as those requiring specialized skills (legal/accounting/architecture, etc.), are recognized as gifts in kind. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

In accordance with fair value measurements, as stated in FASB ASC 820, the Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Organization has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Organization's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

VERITAS FOUNDATION

Notes to Financial Statements

For the Year Ended December 31, 2022

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Income Taxes

The Organization is a non-profit public benefit corporation and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes. Management has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels.

The primary tax positions evaluated are related to the Organization's continued qualification as a tax-exempt entity and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

Travel Costs

This expense category includes the cost of flights, medication, food, hotels, taxi services, supplies for our in-country volunteers, an emergency reserve (for visiting the hospital, taking our volunteers out to dinner, etc.), and extra cash to bless our team in Sierra Leone and those in the community.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, as shown in the Statement of Functional Expenses. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Insurance	Policy type and nature of coverage
Office expense	Direct Allocation
Professional services	Direct Allocation
Other outside services	Direct by use of services

NOTE 2 – LIQUIDITY AND AVAILABLE RESERVES

The Organization’s financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

Current assets:		
Cash and cash equivalents	\$	83,002
Total	\$	<u>83,002</u>

The Organization’s policy for liquidity management requires that it structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 3 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2022, have been evaluated through May 19, 2023, the date at which the Organization's financial statements were available to be issued.