

COASTAL AMERICA FOUNDATION, INCORPORATED

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

COASTAL AMERICA FOUNDATION, INCORPORATED

DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Coastal America Foundation, Incorporated

We have audited the accompanying financial statements of Coastal America Foundation, Incorporated (a non-profit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coastal America Foundation, Incorporated as of December 31, 2015 and 2014, 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.

September 30, 2016

COASTAL AMERICA FOUNDATION, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 437,160	\$ 493,444
Prepaid Expenses	<u>637</u>	<u>637</u>
Total Current Assets	<u>437,797</u>	<u>494,081</u>
PROPERTY AND EQUIPMENT		
Equipment	3,092	3,092
Accumulated Depreciation	<u>(3,092)</u>	<u>(3,092)</u>
Net Property and Equipment	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 437,797</u>	 <u>\$ 494,081</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	\$ <u>5,000</u>	\$ <u>5,000</u>
Total Current Liabilities	<u>5,000</u>	<u>5,000</u>
NET ASSETS		
Unrestricted	23,777	26,364
Temporarily Restricted	<u>409,020</u>	<u>462,717</u>
	<u>432,797</u>	<u>489,081</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 437,797</u>	 <u>\$ 494,081</u>

The accompanying notes are an integral part of these financial statements.

COASTAL AMERICA FOUNDATION, INCORPORATED

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Support		
Interest	\$ 1,315	\$ 1,661
Contributions	6,280	3,489
Net assets released from restrictions	<u>205,400</u>	<u>307,253</u>
TOTAL UNRESTRICTED SUPPORT, AND NET ASSETS RELEASED FROM RESTRICTIONS	<u>212,995</u>	<u>312,403</u>
Expenses		
Program	205,400	307,253
General Operating	<u>10,182</u>	<u>12,453</u>
TOTAL EXPENSES	<u>215,582</u>	<u>319,706</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>(2,587)</u>	<u>(7,303)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Support		
Grants and Contributions	151,703	133,327
Net assets released from restrictions	<u>(205,400)</u>	<u>(307,253)</u>
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(53,697)</u>	<u>(173,926)</u>
DECREASE IN NET ASSETS	(56,284)	(181,229)
NET ASSETS AT BEGINNING OF YEAR	<u>489,081</u>	<u>670,310</u>
NET ASSETS AT END OF YEAR	<u>\$ 432,797</u>	<u>\$ 489,081</u>

The accompanying notes are an integral part of these financial statements.

COASTAL AMERICA FOUNDATION, INCORPORATED  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in Net Assets	\$ (56,284)	\$(181,229)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	<u>          -</u>	<u>          -</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(56,284)</u>	<u>(181,229)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(56,284)	(181,229)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>493,444</u>	<u>674,673</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 437,160</u>	<u>\$ 493,444</u>
SUPPLEMENTAL DISCLOSURES		
Taxes Paid	<u>\$ 70</u>	<u>\$ 250</u>

The accompanying notes are an integral part of these financial statements.

COASTAL AMERICA FOUNDATION, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 and 2014

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting in accordance with generally accepted accounting principles.

Tax Status

The Internal Revenue Service has ruled that CAF is tax exempt under the provisions of Section 501(c)(3), and is not a private foundation under Section 509(a)(1).

Management has determined that there are no tax positions that require disclosure or recording of a tax liability.

Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

2. CONCENTRATION OF CREDIT RISK

As of December 31, 2015 and 2014 all the funds of CAF were in one bank. The bank carries supplemental insurance in addition to FDIC insurance, thus 100% of the funds are insured.

3. PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of five years using a straight-line method, with a half of a year's depreciation being recognized in the years of acquisition and disposal.

4. TAX UNCERTAINTIES

The Foundation's policy is to record interest expense and penalties in operating expenses. For the years ended December 31, 2015 and 2014, there was no interest and penalties expense recorded and no accrued interest and penalties.

The Foundation's federal and state tax returns open for examination are for the years 2013, 2014 and 2015.

COASTAL AMERICA FOUNDATION, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 and 2014

5. MANAGEMENT'S REVIEW

In preparing the financial statements, the Foundation, has evaluated events and transactions for potential recognition or disclosure through September 30, 2016, the date that the financial statements were available to be issued.

6. RECLASSIFICATION

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

7. SUBSEQUENT EVENTS

The Foundation has decided to cease operations in 2016 and contribute it's remaining funds to other organizations that will continue the restoration and education objectives of Coastal America Foundation Incorporated.