

THE GOODNATION FOUNDATION, INC

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDIT REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To Board of Directors
The Goodnation Foundation, Inc

Opinion

We have audited the accompanying financial statements of The Goodnation Foundation, Inc (a nonprofit organization), which comprise the statement of financial position as of December 31 2023, and the related statements of activities, and changes in net assets, and statement of function expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Goodnation Foundation, Inc as of December 31, 2023, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Goodnation Foundation, Inc Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 The Goodnation Foundation Inc's Organization'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

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 auditor's 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 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 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, 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 The Goodnation 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Goodnation Foundation Inc'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.

 CPA, P.C.

Abid CPA, P.C.
Mineola, NY
October 4, 2024

THE GOODNATION FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Assets

Current Assets

Cash and Cash Equivalents	\$ 1,012,331
Contributions Receivable	-
Prepaid Expenses	837,727
Due from Goodnation Philanthropy Advisor	164,069
Other Current Assets	(525)
Total Current Assets	<u>2,013,602</u>
Total Assets	<u><u>\$ 2,013,602</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 40,644
Other Liabilities	23,000
Total Current Liabilities	<u>63,644</u>

Long Term Liabilities	
Notes Payable, long term	10,948
Total Long Term Liabilities	<u>10,948</u>

Total Liabilities	<u><u>74,592</u></u>
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Net Assets

Without donor restrictions	206,894
With donor restrictions	1,732,116
Total Net Assets	<u>1,939,010</u>
Total Liabilities & Net Assets	<u><u>\$ 2,013,602</u></u>

SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

THE GOODNATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Grants and Contributions	\$ 11,876,508	\$ 1,732,116	\$ 13,608,624
Investment Income	33,889	-	33,889
Net assets released from restrictions	1,426,755	(1,426,755)	-
Total Revenues and support	13,337,152	305,361	13,642,513
Operating Expenses:			
Program Services	11,203,076	-	11,203,076
Management and General Fundraising	1,368,106	-	1,368,106
Fundraising	412,431	-	412,431
Total Operating Expenses	12,983,613	-	12,983,613
Change in net assets	353,539	305,361	658,900
Net assets, beginning of year	(146,645)	1,426,755	1,280,110
Net assets, end of year	\$ 206,894	\$ 1,732,116	\$ 1,939,010

SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

THE GOODNATION FOUNDATION, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2023

Supporting Activities

	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Total Expenses					
Grants	\$ 3,531,808	\$ -	\$ -	\$ -	\$ 3,531,808
Program Services	7,671,268	1,358,146	412,431	1,770,577	9,441,845
Professional Fees	-	2,400	-	2,400	2,400
Insurance	-	728	-	728	728
Miscellaneous	-	6,832	-	6,832	6,832
Total Expenses	\$ 11,203,076	\$ 1,368,106	\$ 412,431	\$ 1,780,537	\$ 12,983,613

SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

THE GOODNATION FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities	
Change in Net Assets	\$ 658,900
Adjustments to Reconcile Net Assets to Net Cash	
Provided (Used) by Operating Activities:	
Change in assets and liabilities	
Decrease in Contributions and Grants Receivable	150,000
(Increase) in Prepaid Expenses	(837,727)
Increase in Due from Goodnation Philanthropy Advisoors	(164,069)
(Decrease) in other assets	27,349
(Decrease) in Accounts Payable	(72,382)
Increase in Other Liabilites	23,000
	<hr/>
Net Cash Used In Operating Activities	(214,929)
Cash Flows from Investing Activities:	
Net Cash (Used) in Investing Activities	-
Cash Flows from Financing Activities	
Net Cash Used In Financing Activities	(499)
	<hr/>
Net Increase in Cash and Cash Equivalents	(215,428)
Cash and Cash Equivalents - Beginning of Year	1,227,759
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Cash and Cash Equivalents - End of Year	<u><u>\$ 1,012,331</u></u>
Supplemental Cash Flow Information	
Donated Securities	59,754

SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

THE GOODNATION FOUNDATION, INC
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS

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NOTE A- ORGANIZATION

The Goodnation foundation (“Organization”) Inc is an IRS 501(C)(3) non-profit entity established under the laws of the State of New York. Its primary purpose is to attract, manage and disburse funds for philanthropic purposes to organizations.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

BASIS OF PRESENTATION

The Organization maintains its accounting records and prepares its financial statements accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (“GAAP”) basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (“GAAP”). The organization generally records revenue when it’s earned and expenses when incurred. Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions are recorded as “net assets without donor restrictions”. Assets restricted solely through the actions of the Board are also reported as net assets without donor restrictions.

Net Assets with donor restrictions – Contributions restricted by donor are reported as net assets with donor restrictions, depending upon the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reported in the statement of activities and change in net Assets as net assets released from donor activities.

CASH AND CASH EQUIVALENTS

The organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

THE GOODNATION FOUNDATION, INC
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS

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NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (CONTINUED)

USE OF ESTIMATES

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

CONTRIBUTIONS

Contributions, which include unconditional promise to give, are recognized as revenue at fair value when received or pledged. Contributions made, contributions received are recorded as without donor restrictions and with donor restrictions net assets depending on the absence or existence and nature of any donor restrictions.

INCOME TAXES:

The Goodnation Foundation, Inc. is classified as a 501(c)(3) Organization and is exempt from Federal Income Tax purposes under Section 501(a) of the Internal Revenue Code. The Organization is exempt from New York State Income taxes under a similar provision of the New York State income tax laws.

FUNCTIONAL EXPENSES ALLOCATION:

All costs of providing various programs, other activities and general expenses have been summarized in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services. The allocation of expenses between program and supporting services expense, are based upon management's estimated using rational methods. Program expenses are those that are incurred to meet the mission of the organization, through programs or services, either directly or indirectly. Management and general expenses are expenses that do not relate specifically to a particular program. Instead, they are related to the direction of the entire organization and its day-to-day operations. Fundraising expenses are typically the easiest to classify because they are expenses that are directly incurred as part of obtaining donations.

INVESTMENTS

Investments with readily determinable fair values are reported at fair value based upon quoted market prices. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected in the statement of activities. Interest income is recorded on an accrual basis.

THE GOODNATION FOUNDATION, INC
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (CONTINUED)

RECENTLY ISSUED PRONOUNCEMENT:

In 2016, the Financial Accounting Standards Board Issued Accounting Standards Update 2016-02 (“ASU 2016-02”), leases for both lessees and Lessors. Under its core principle, a lessee with recognize right-of-use of assets and related lease liabilities on the statement of financial position fir all lease arrangements with terms longer than 12 months. Consistent with current Generally Accepted Accounting Principles (“GAAP”), the recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as finance or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the statement of financial position, the new ASU will take effect for all nonpublic entities for fiscal years beginning after December 15, 2021.

The adoption of this new guidance did not have a material impact on the Organization's financial statements.

During 2020, the Organization adopted Accounting Standards Update 2018-08 (“ASU 2018-08), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

During 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09 (“ASU-2014-09”), Revenue from Contracts with Customers (ASC 606). The effective date for this Standard for nonpublic entities is annual reporting periods beginning after December 15, 2018, with early adoption permitted for annual periods beginning after December 15, 2016. ASU 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with specific customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition depict the transfer of promised goods or services to customers in an amount that reflects consideration an organization expects to receive in exchange for those goods or services.

THE GOODNATION FOUNDATION, INC
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (CONTINUED)

RECENTLY ISSUED PRONOUNCEMENT: (CONITNUED)

During 2020, the Organization adopted the Financial Accounting Standards Board issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230), Restricted Cash (ASU 2016-18) to reduce diversity in practice by providing guidance on presentation or restricted cash within the cash flow statement. The ASU requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or cash equivalents (collectively, restricted cash).

The update also amends Topic 230 to require disclosures about the nature of restricted cash and provide a reconciliation of cash, cash equivalents and restricted cash between the statement of financial position and the statement of cash flows.

During 2019, the Organization adopted Accounting Standards Update (ASU) No, 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profits Entities (ASU 2016-14). ASU 2016-14 reduces the number of assets from three to two: net assets with donor-imposed restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets. This guidance also expands the quantitative and qualitative disclosures regarding liquidity and availability of resources and requires expenses to be reported by both their natural and functional classification in one location.

REVENUE RECOGNITION

All revenues are recorded in accordance with ASC 606, Revenue from Contracts with Customers, which is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Organization has satisfied the applicable performance obligation over time or at a point in time.

Note C- CASH AND CASH EQUIVALENT

Cash and cash equivalent consisted of the following on December 31:

JPMorgan Chase	
Operating account	\$ 906,052
Fidelity	105,750
Petty cash	<u>529</u>
Total	<u>\$ 1,012,331</u>

THE GOODNATION FOUNDATION, INC
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS

Note D- RELATED PARTY

The Organization has engaged Goodnation Philanthropy Advisors Inc., a separate and distinct for-profit entity with a common founder, to identify and advise donors on behalf of the Organization. As compensation for these services, the Organization has agreed to pay Goodnation Philanthropy Advisors, Inc. a fee equal to 5% of the donations received. The Organization has also agreed to pay Goodnation Philanthropy Advisors Inc. a fee based on the number of charities on the Organization’s platform. Additionally, Goodnation Philanthropy Advisors Inc. is reimbursed by the Organization for operations and fundraising costs related to cause specific funds.

Reimbursements for cause specific fund costs and compensation for services rendered by the related party for the year ended December 31st, 2023, were \$2,685,690 The net amount due from related party at December 31st, 2023 was \$164,069.

NOTE E – NET ASSET WITH DONOR RESTRICTIONS

	<u>PROGRAM RESTRICTED</u>	<u>TIME RESTRICTED</u>	<u>TOTAL</u>
Fiscal Sponsorship	\$ 1,732,116	\$ -	\$1,732,116
Philanthropic advising	\$ -	\$ -	\$ -
Total Net Assets with Donor Restrictions	<u>\$ 1,732,116</u>	<u>\$ -</u>	<u>\$1,732,116</u>

NOTE F– CONCENTRATION OF CREDIT RISK

The Federal Insurance Corporation (FDIC provides insurance coverage up to the standard Maximum Deposit Insurance of \$250,000 per depositor, at each separately chartered FDIC Insured Depository Institution. At various times during the year, the Organization balances may have exceeded the applicable insured coverage amount.

THE GOODNATION FOUNDATION, INC
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS

NOTE G– LIQUIDITY AND AVAILABILITY

The organization regularly monitors liquidity required to meet its operating needs and other financial commitments, The organization’s financial assets within one year of the balance sheet date for general expenditures are as follows:

Cash	\$ 1,012,231
Accounts Receivable	<u>164,069</u>
Total	<u>\$ 1,176,069</u>

NOTE H – LOAN PAYABLE

In July 2020, The Organization obtained an Economic Injury Disaster Loan for \$10,800 at 2.75% interest through the Small Business Administration. The first principal payment is due July 2021 and the loan matures July 7, 2050. The debt is unsecured.

The Organization was in compliance with or had obtained waivers for all related covenants as of December 31st, 2023. Principal maturities of the note during the next five years are as follows:

December 31st,

2024	\$ 226
2025	234
2026	243
2027	255
2028	266
Thereafter	\$9,576

Note I- DATE OF MANAGEMENT’S REVIEW

In Preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through October 4, 2024, the date financial statements were available to be issued.