

**COACHELLA VALLEY RESCUE MISSION**  
**INDIO, CALIFORNIA**

**INDEPENDENT AUDITOR'S REPORT AND**  
**FINANCIAL STATEMENTS**

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

**WITH COMPARATIVE SUMMARIZED TOTALS FOR DECEMBER 31, 2022**



## ACCOUNTING & AUDITING

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### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Coachella Valley Rescue Mission  
Indio, California

#### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Coachella Valley Rescue Mission (the Organization), which comprise the statements of financial position as of December 31, 2023, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of Coachella Valley Rescue Mission 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Coachella Valley Rescue Mission 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 of Coachella Valley Rescue Missions' 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 and *Government 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 and *Government 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 Coachella Valley Rescue Missions' 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 Coachella Valley Rescue Missions' 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of Coachella Valley Rescue Mission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coachella Valley Rescue Mission's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coachella Valley Rescue Mission internal control over financial reporting and compliance.

## **Report on Summarized Comparative Information**

We have previously audited the financial statements of Coachella Valley Rescue Mission for the year ended December 31, 2022, in our report dated May 22, 2023, we expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent in all material respects, with the audited financial statement from which it has been derived.

*Coachella Valley  
Accounting & Auditing*

La Quinta, CA  
June 3, 2024

**COACHELLA VALLEY RESCUE MISSION**

**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash - without donor restriction	\$ 2,162,859	\$ 2,481,115
Cash - board designated	3,847,044	3,591,096
Cash - with donor restriction	380,937	317,968
Cash - funds held on behalf of clients	57,858	50,442
Investments	3,372,605	3,129,224
Accounts receivable	578,415	225,227
Prepaid expenses	80,974	62,169
Total current assets	<u>10,480,692</u>	<u>9,857,241</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	267,456	267,456
Building	9,726,451	9,726,451
Improvements	830,448	760,614
Equipment and fixtures	1,079,553	1,073,598
Vehicles	1,158,664	1,121,875
Construction in progress	710,201	408,455
	<u>13,772,773</u>	<u>13,358,449</u>
Less accumulated depreciation	<u>(3,894,504)</u>	<u>(3,309,430)</u>
Total property and equipment	<u>9,878,269</u>	<u>10,049,019</u>
<b>OTHER ASSETS</b>		
Right of use assets	128,003	138,107
Deposits	30,178	28,658
Total other assets	<u>158,181</u>	<u>166,765</u>
<b>TOTAL ASSETS</b>	<u>\$ 20,517,142</u>	<u>\$ 20,073,025</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 75,565	\$ 62,889
Funds held on behalf of clients	57,858	50,442
Accrued expenses	208,330	225,726
Right of use liabilities, current portion	95,694	76,256
Total current liabilities	<u>437,447</u>	<u>415,313</u>
<b>LONG-TERM LIABILITIES</b>		
Right of use liabilities, net of current portion	<u>32,309</u>	<u>61,851</u>
Total liabilities	<u>469,756</u>	<u>477,164</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Designated by the Board	3,847,044	3,591,096
Undesignated by the Board	15,819,405	15,686,797
	<u>19,666,449</u>	<u>19,277,893</u>
With donor restrictions	<u>380,937</u>	<u>317,968</u>
Total net assets	<u>20,047,386</u>	<u>19,595,861</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 20,517,142</u>	<u>\$ 20,073,025</u>

(The accompanying notes are an integral part of these financial statements)

**COACHELLA VALLEY RESCUE MISSION**

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2023</u>			<u>2022</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Memorandum Only</u>
<b>SUPPORT AND REVENUES</b>				
Contributions and other cash donations	\$ 3,531,663	\$ -	\$ 3,531,663	\$ 3,663,805
Special events	386,719	-	386,719	236,590
Program income	-	90,497	90,497	869,066
Grants and contracts	-	1,595,419	1,595,419	1,899,948
Non-cash donations	6,977,558	-	6,977,558	4,391,368
Thrift store and other sales	643,072	-	643,072	529,991
Other income	386,582	-	386,582	203,416
Expiration and allocation of restrictions	1,622,947	(1,622,947)	-	-
Total support and revenues	<u>13,548,541</u>	<u>62,969</u>	<u>13,611,510</u>	<u>11,794,184</u>
<b>EXPENSES</b>				
Program services	11,660,089	-	11,660,089	8,562,554
General and administrative	946,508	-	946,508	834,481
Fundraising	902,798	-	902,798	846,634
Total expenses	<u>13,509,395</u>	<u>-</u>	<u>13,509,395</u>	<u>10,243,669</u>
<b>OPERATING INCOME</b>	<u>39,146</u>	<u>62,969</u>	<u>102,115</u>	<u>1,550,515</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	170,725	-	170,725	32,461
Bad debt expense	(25,000)	-	(25,000)	(1,834)
Loss on disposal of property	(9,008)	-	(9,008)	(81,157)
Gain (loss) on investments	212,693	-	212,693	(230,645)
Total non-operating income (expense)	<u>349,410</u>	<u>-</u>	<u>349,410</u>	<u>(281,175)</u>
<b>INCREASE IN NET ASSETS</b>	<u>388,556</u>	<u>62,969</u>	<u>451,525</u>	<u>1,269,340</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>19,277,893</u>	<u>317,968</u>	<u>19,595,861</u>	<u>18,326,521</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 19,666,449</u>	<u>\$ 380,937</u>	<u>\$ 20,047,386</u>	<u>\$ 19,595,861</u>

(The accompanying notes are an integral part of these financial statements)

**COACHELLA VALLEY RESCUE MISSION**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022**

	2023				2022
	Program Services	General and Administrative	Fundraising	Total	Memorandum Only
Bank and credit card charges	\$ -	\$ 32,000	\$ 3,555	\$ 35,555	\$ 40,230
Benevolence	1,101,707	-	-	1,101,707	854,845
Donation expense	12,400	1,102	276	13,778	9,181
Employee benefits	120,043	16,673	30,011	166,727	136,001
Employee expenses	13,917	1,237	309	15,463	9,073
Salaries, wages and payroll taxes	1,609,326	664,166	280,993	2,554,485	2,345,426
Facility expenses	544,829	-	-	544,829	334,787
Food service	5,634,086	114,981	-	5,749,067	3,413,633
Fundraising direct mail	-	-	418,308	418,308	385,678
Insurance	128,861	34,363	8,591	171,815	153,420
Miscellaneous	-	-	-	-	13,997
Office supplies	5,468	2,734	19,136	27,338	16,886
Postage and delivery	16,421	-	4,105	20,526	19,470
Printing and reproduction	7,194	899	9,892	17,985	17,499
Professional fees	95,851	4,123	3,092	103,066	99,018
Professional development Programs and case management	44,062	-	-	44,062	43,513
Rent and lease	248,394	-	-	248,394	332,960
Special events	899,303	32,787	4,684	936,774	701,941
Property taxes	-	-	89,377	89,377	102,026
Travel and entertainment	12,308	957	410	13,675	9,026
Utilities	9,695	-	-	9,695	8,836
Vehicle	359,345	19,964	19,963	399,272	362,520
	158,276	8,793	8,793	175,862	174,336
Total expenses before depreciation	<u>11,021,486</u>	<u>934,779</u>	<u>901,495</u>	<u>12,857,760</u>	<u>9,584,302</u>
Depreciation and amortization	<u>638,603</u>	<u>11,729</u>	<u>1,303</u>	<u>651,635</u>	<u>659,367</u>
<b>TOTAL EXPENSES</b>	<u>\$ 11,660,089</u>	<u>\$ 946,508</u>	<u>\$ 902,798</u>	<u>\$ 13,509,395</u>	<u>\$ 10,243,669</u>

(The accompanying notes are an integral part of these financial statements)

**COACHELLA VALLEY RESCUE MISSION**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 451,525	\$ 1,269,340
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	651,635	659,367
Loss on disposal of property	9,008	81,157
Gain on investments	(212,693)	230,645
Bad debt	25,000	-
Changes in operating assets and liabilities		
Accounts receivable	(353,188)	757,267
Prepaid expenses and other assets	(20,325)	18,566
Accounts payable	12,677	(3,529)
Funds held on behalf of clients	7,416	(25,792)
Accrued expenses	(17,396)	17,756
Net cash provided by operating activities	<u>553,659</u>	<u>3,004,777</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(188,147)	(413,675)
Construction in progress	(301,747)	(282,063)
Purchases of investments	(2,504,646)	(1,624,793)
Sale of investments	2,448,959	237,282
Net cash used by investing activities	<u>(545,581)</u>	<u>(2,083,249)</u>
<b>NET INCREASE IN CASH</b>	8,078	921,527
<b>CASH AND RESTRICTED CASH - BEGINNING OF YEAR</b>	<u>6,440,621</u>	<u>5,519,094</u>
<b>CASH AND RESTRICTED CASH - END OF YEAR</b>	<u>\$ 6,448,698</u>	<u>\$ 6,440,621</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash and restricted cash consisted of the following at December 31:		
Unrestricted cash	\$ 2,162,859	\$ 2,481,115
Unrestricted cash - board designated	3,847,044	3,591,096
Cash - funds held on behalf of clients	57,858	50,442
Restricted cash	380,937	317,968
	<u>\$ 6,448,698</u>	<u>\$ 6,440,621</u>

(The accompanying notes are an integral part of these financial statements)



**COACHELLA VALLEY RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**1. ORGANIZATION**

The Coachella Valley Rescue Mission (the Organization) was organized on March 30, 1971 as a California non-profit Organization and is presently located in Indio. The primary purpose of the Organization is to operate a Christian mission and to provide food and shelter to the homeless in the Coachella Valley. The main sources of revenues are private donations and grants as well as reimbursements from the County of Riverside for services provided at the county overnight shelter.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Net Asset Classification**

To ensure compliance with restrictions placed on its resources, the Organization's accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting reporting into funds established according to their nature and purposes. In financial statements, funds that have similar characteristics are combined into two net asset categories: without donor restrictions and with donor restrictions.

The Organization records contributions as with donor restrictions if they are received with stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, donor restrictions net assets are reported in the statement of activities as net assets released from restrictions. See Note 3 for detail of net assets with donor restrictions.

Net assets without donor restrictions include net assets where donor imposed restrictions have expired. The Board of Directors have made designations of net assets without donor restrictions in the amount of \$3,847,044 and \$3,591,096 at December 31, 2023 and 2022, respectively.

**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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Donated goods**

The Organization recognizes revenue related to the sale of donated furniture, clothing and other items at the time of sale.

**Grants revenue and receivable**

The Organization is awarded grants from federal, state, county and city agencies. Those grants funded renew annually, with the amount awarded negotiated in advance. Grants revenue is recognized as revenue when the related program costs are incurred. There were no deferred grants revenue at December 31, 2023 and 2022. At December 31, 2023 and 2022, the Organization had \$577,089 and \$225,227, respectively, in grants receivable. Management has determined that no allowance is necessary on the grants receivable.

**COACHELLA VALLEY RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and from California franchise taxes under related state tax regulations and classified by the Internal Revenue Service as other than a private foundation. The Organization may be subject to tax on income from any unrelated business operations. The Organization does not currently have any unrelated business operations.

The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**Investments**

The Organization has investments consisting of mutual funds, equities and corporation bonds and are recorded at fair market value.

**Contributions**

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Property and Equipment**

Property and equipment are stated at cost and are being depreciated using the straight-line and accelerated methods over their estimated useful lives.

The Organization capitalizes assets with original costs greater than \$2,500 and estimated useful lives greater than one year. Donations of property and equipment are recorded at their estimated fair value.

The estimated useful lives of property and equipment are as follows:

Building	25 - 39 years
Improvements	15 – 25 years
Equipment and fixtures	5 - 7 years
Vehicles	5 years

**Functional Allocation of Expense**

The costs of providing the various programs and other services have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited.

**Volunteers**

A number of volunteers have made significant contributions of time to the Organization's program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and accordingly, is not reflected in the accompanying financial statements.

**Advertising**

The Organization expenses advertising costs as incurred. Advertising costs were \$53,636 and \$31,180 in 2023 and 2022, respectively.

**COACHELLA VALLEY RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Concentration of credit risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and investments. The Organization maintains its cash in deposit accounts with high credit quality financial institutions which, at times, may exceed the federally insured limits on interest bearing accounts of \$250,000 during the year. Investments held are insured up to \$500,000 under the Securities Investor Protection Corporation (SIPC) in all the client's accounts. The Organization does not expect any losses in such accounts.

Memorandum Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the prior year, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2022 amounts to conform to the 2023 presentation.

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2023:

Laundry facility	\$ 28,866
Women family shelter	350,000
Other	2,071
	<u>\$ 380,937</u>

Net assets with donor restrictions consisted of the following at December 31, 2022:

Laundry facility	\$ 129,552
Women family shelter	100,000
Rental assistance	60,000
Senior diversion	20,000
Other	8,416
	<u>\$ 317,968</u>

**4. CLIENT HELD FUNDS**

The Organization maintains accounts on behalf of the Organization's clients at the client's choice. The total funds held on behalf of the clients amounted to \$57,858 and \$50,442 at December 31, 2023 and 2022, respectively.

**COACHELLA VALLEY RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**5. LAND LEASE**

In 2011 the Organization sold two parcels of land held for development to the County of Riverside. Under an agreement amended in 2015, the County is leasing back one of the parcels to the Organization for \$1 per year for 55 years with one option to renew for 10 years. The estimated fair market value of this land lease is \$112,498 for the years ended December 31, 2023 and 2022.(see Note 9)

**6. INVESTMENTS**

Investments consist of the following at December 31:

<u>2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual funds	\$1,618,768	\$ 1,676,055	\$ 57,287
Bonds	1,651,442	1,656,974	5,532
Equities	35,203	39,576	4,373
	<u>\$3,305,413</u>	<u>\$ 3,372,605</u>	<u>\$ 67,192</u>

<u>2022</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual funds	\$1,571,279	\$ 1,492,952	\$ 78,327
Bonds	1,607,703	1,601,198	6,505
Equities	35,290	35,074	216
	<u>\$3,214,272</u>	<u>\$ 3,129,224</u>	<u>\$ 85,048</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2023 and 2022 are within Quoted Prices in Active Markets for Identical Assets (Level 1).

**7. CONSTRUCTION IN PROGRESS**

As of December 31, 2023 total construction in progress amounted to \$710,201 relating to the construction of a new laundry facility expected to be completed in July 2024 at an estimated cost of \$440,000, a new Women and Family Shelter expected to be completed in December 2025 at an estimated cost of \$2.5 million, and a new Thrift Store in a non-incorporated Riverside County area adjacent to the current Mission location estimated to be completed by December 2026 with estimated cost projected to be approximately \$1.5 million.

**8. THRIFT STORE OPERATIONS**

The Organization operates a thrift store which accepts donations of new and gently used items from individuals and businesses in the community and sells those items to the public at a reduced cost. Proceeds from the thrift store are used to further the Organization's mission. For the years ended December 31, 2023 and 2022 total thrift store sales amounted to \$577,474 and \$487,177, respectively. The thrift store sales revenue is included within the sales amount indicated on the statement of activities. Inventory for the thrift store donated items was not determined as of December 31, 2023 or 2022.

**COACHELLA VALLEY RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**9. NON-CASH DONATIONS**

The Organization has received various noncash gifts, such as food and supplies, that were used for purposes of operating and program activities. These contributions are value at the estimated fair value and are without donor restrictions.

Contributed services and gifts in-kind for the year ended December 31;

	<u>2023</u>	<u>2022</u>
Food	\$ 5,589,295	\$ 3,328,354
Toys	375,000	300,000
Housewares	259,300	252,850
Supplies	375,035	240,038
Clothing	249,850	147,559
Land lease	112,498	112,498
Professional services	2,080	-
Vehicles	14,500	10,069
	<u>\$ 6,977,558</u>	<u>\$ 4,391,368</u>

**10. OPERATING LEASES**

The Organization has multi year operating lease agreements for office equipment and sober living homes with terms expiring in 2024 and 2025 and monthly payments ranging from \$1,088 to \$3,500. Lease expense under these operating leases was approximately \$41,850 in 2023 and 2022. Minimum lease obligations under non-cancelable operating leases, are as follows:

<u>Year Ended December 31</u>	<u>Total</u>
2024	\$ 25,050
2025	11,963
	<u>\$ 37,013</u>

**Right of Use - Operating Leases**

During 2023, the Organization entered into a new operating lease agreement for a sober living home. This lease has a 24-month term with a monthly payment of \$3,000.

In 2022, the Organization entered into two new operating lease agreements for sober living homes. These leases have 24-month terms with a collective monthly payment of approximately \$7,000.

Minimum lease obligations, discounted at an incremental borrowing rate of 4.25%, under these non-cancelable operating leases, which expire in 2024 and 2025, are as follows:

<u>Year Ended December 31</u>	<u>Total</u>
2024	\$ 95,694
2025	32,309
	<u>\$ 128,003</u>

**COACHELLA VALLEY RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**11. RETIREMENT PLAN**

The Organization has a 401(k) defined contribution benefit plan covering substantially all employees. The Organization made matching contributions of \$57,434 and \$47,757 for the years ended December 31, 2023 and 2022, respectively.

**12. LIQUIDITY**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 2,162,859
Investments	3,372,605
Accounts receivable	<u>578,415</u>
Total	<u>\$ 6,113,879</u>

The Organization is committed to investing liquid assets conservatively, which may be drawn upon in the event of an unanticipated liquidity need. Income from donor-restricted sources is restricted for specific purposes and therefore, is not available for general expenditure. Even though the Board has the ability to release Board designated funds for operating needs at any time, since the Board designated amounts were not available for operations as of December 31, 2023 these amounts have been excluded from the amounts listed above.

**13. SUBSEQUENT EVENTS**

The Organization evaluated all potential subsequent events as of June 3, 2024 when the financial statements were authorized and available to be issued. No additional subsequent events or transactions were identified after December 31, 2023 or as of June 3, 2024 that require disclosure to the financial statements.