

COACHELLA VALLEY RESCUE MISSION
INDIO, CALIFORNIA

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2023



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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 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 our opinion, the financial statements present fairly, in all material respects, the financial position of Coachella Valley Rescue Mission 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

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 June 3, 2025, 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, 2023, in our report dated June 3, 2024, we expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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 2, 2025

COACHELLA VALLEY RESCUE MISSION

STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash - without donor restriction	\$ 3,254,685	\$ 2,162,858
Cash - board designated	2,495,385	3,847,044
Cash - with donor restriction	308,806	380,937
Cash - funds held on behalf of clients	55,951	57,858
Investments	3,752,258	3,372,605
Accounts receivable	200,828	578,415
Prepaid expenses	62,805	80,974
Total current assets	<u>10,130,718</u>	<u>10,480,691</u>
PROPERTY AND EQUIPMENT		
Land	267,456	267,456
Building	9,726,451	9,726,451
Improvements	830,448	830,448
Equipment and fixtures	1,128,710	1,079,553
Vehicles	1,158,664	1,158,664
Construction in progress	2,728,725	710,201
	15,840,454	13,772,773
Less accumulated depreciation	<u>(4,522,710)</u>	<u>(3,894,504)</u>
Total property and equipment	<u>11,317,744</u>	<u>9,878,269</u>
OTHER ASSETS		
Right of use assets	32,309	128,003
Deposits	30,178	30,178
Total other assets	<u>62,487</u>	<u>158,181</u>
TOTAL ASSETS	<u>\$ 21,510,949</u>	<u>\$ 20,517,141</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 308,268	\$ 75,565
Funds held on behalf of clients	55,951	57,858
Accrued expenses	230,594	208,329
Right of use liabilities, current portion	32,309	95,694
Total current liabilities	<u>627,122</u>	<u>437,446</u>
LONG-TERM LIABILITIES		
Right of use liabilities, net of current portion	-	32,309
Total liabilities	<u>627,122</u>	<u>469,755</u>
NET ASSETS		
Without donor restrictions		
Designated by the Board	2,495,385	3,847,044
Undesignated by the Board	18,079,636	15,819,405
	<u>20,575,021</u>	<u>19,666,449</u>
With donor restrictions	308,806	380,937
Total net assets	<u>20,883,827</u>	<u>20,047,386</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,510,949</u>	<u>\$ 20,517,141</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, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Memorandum Only
SUPPORT AND REVENUES				
Contributions and other cash donations	\$ 4,326,683	\$ -	\$ 4,326,683	\$ 3,242,401
Special events	545,797	-	545,797	386,719
Program income	259,483	-	259,483	90,497
Grants and contracts	412,368	856,937	1,269,305	1,595,419
Non-cash donations	7,624,194	-	7,624,194	6,977,558
Thrift store and other sales	664,546	-	664,546	643,072
Other income	293,709	-	293,709	386,582
Expiration and allocation of restrictions	929,068	(929,068)	-	-
Total support and revenues	15,055,848	(72,131)	14,983,717	13,322,248
EXPENSES				
Program services	12,530,225	-	12,530,225	11,660,089
General and administrative	1,072,828	-	1,072,828	946,508
Fundraising	1,006,991	-	1,006,991	902,798
Total expenses	14,610,044	-	14,610,044	13,509,395
OPERATING INCOME	445,804	(72,131)	373,673	(187,147)
NON-OPERATING INCOME (EXPENSE)				
Interest income	302,116	-	302,116	170,725
Bad debt expense	-	-	-	(25,000)
Loss on disposal of property	(707)	-	(707)	(9,008)
Gain on investments	161,359	-	161,359	212,693
Total non-operating income (expense)	462,768	-	462,768	349,410
INCREASE IN NET ASSETS	908,572	(72,131)	836,441	451,525
NET ASSETS - BEGINNING OF YEAR	19,666,449	380,937	20,047,386	19,595,861
NET ASSETS - END OF YEAR	\$ 20,575,021	\$ 308,806	\$ 20,883,827	\$ 20,047,386

(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, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	2024			2023	
	Program Services	General and Administrative	Fundraising	Total	Memorandum Only
Bank and credit card charges	\$ -	\$ 32,923	\$ 3,658	\$ 36,581	\$ 35,555
Benevolence	10,572	-	-	10,572	5,442
Donation expense	13,157	1,170	292	14,619	13,778
Employee benefits	138,519	19,237	34,629	192,385	166,727
Employee expenses	36,264	3,223	806	40,293	15,463
Salaries, wages and payroll taxes	1,813,571	748,458	316,655	2,878,684	2,554,485
Facility expenses	475,711	-	-	475,711	450,268
Food service	6,193,199	126,392	-	6,319,591	5,749,067
Fundraising direct mail	-	-	417,894	417,894	418,308
Insurance	156,042	41,611	10,403	208,056	171,815
Office supplies	5,486	2,743	19,201	27,430	27,338
Postage and delivery	13,574	-	3,393	16,967	20,526
Printing and reproduction	8,728	1,091	12,000	21,819	17,985
Professional fees	128,971	5,547	4,160	138,678	105,146
Professional development	42,084	-	-	42,084	44,062
Programs and case management	117,244	-	-	117,244	248,394
Program supplies	1,158,835	-	-	1,158,835	1,094,185
Rent and lease	754,098	27,493	3,928	785,519	936,774
Special events	-	-	137,852	137,852	89,377
Property taxes	10,456	813	349	11,618	13,675
Repairs and maintenance	231,095	17,974	7,703	256,772	94,561
Travel and entertainment	14,365	-	-	14,365	9,695
Utilities	389,452	21,636	21,636	432,724	399,272
Vehicle	201,083	11,171	11,171	223,425	175,862
Total expenses before depreciation	<u>11,912,506</u>	<u>1,061,482</u>	<u>1,005,730</u>	<u>13,979,718</u>	<u>12,857,760</u>
Depreciation	<u>617,719</u>	<u>11,346</u>	<u>1,261</u>	<u>630,326</u>	<u>651,635</u>
TOTAL EXPENSES	<u>\$ 12,530,225</u>	<u>\$ 1,072,828</u>	<u>\$ 1,006,991</u>	<u>\$ 14,610,044</u>	<u>\$ 13,509,395</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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 836,441	\$ 451,525
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	630,326	651,635
Loss on disposal of property	707	9,008
Gain on investments	(161,359)	(212,693)
Bad debt	-	25,000
Changes in operating assets and liabilities		
Accounts receivable	377,587	(353,188)
Prepaid expenses and other assets	18,170	(20,325)
Accounts payable	232,703	12,677
Funds held on behalf of clients	(1,907)	7,416
Accrued expenses	22,265	(17,396)
Net cash provided by operating activities	<u>1,954,932</u>	<u>553,659</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(51,983)	(188,147)
Construction in progress	(2,018,524)	(301,747)
Purchases of investments	(2,909,651)	(2,504,646)
Sale of investments	2,691,355	2,448,959
Net cash used by investing activities	<u>(2,288,803)</u>	<u>(545,581)</u>
NET (DECREASE) INCREASE IN CASH	(333,871)	8,078
CASH AND RESTRICTED CASH - BEGINNING OF YEAR	<u>6,448,698</u>	<u>6,440,621</u>
CASH AND RESTRICTED CASH - END OF YEAR	<u>\$ 6,114,827</u>	<u>\$ 6,448,698</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash and restricted cash consisted of the following at December 31:		
Cash - without donor restriction	\$ 3,254,685	\$ 2,162,859
Cash - board designated	2,495,385	3,847,044
Cash - funds held on behalf of clients	55,951	57,858
Cash - with donor restriction	308,806	380,937
	<u>\$ 6,114,827</u>	<u>\$ 6,448,698</u>

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

COACHELLA VALLEY RESCUE MISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 \$2,495,385 and \$3,847,044 at December 31, 2024 and 2023, 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, 2024 and 2023. At December 31, 2024 and 2023, the Organization had \$198,980 and \$577,089, 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, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition

Revenues that are treated as exchange transactions are recognized consistent with the guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers. ASC 606 stipulates that revenue should be recognized consistent with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services.

In-Kind Contributions

Contributions are value at the estimated fair value provided by the donor or the net realizable value of donations used for operations.

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

Investments

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

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 had uninsured cash balances of \$5,361,453 and \$5,695,672 as of December 31, 2024 and 2023, respectively. The Organization also had uninsured investment balances of \$3,252,258 and \$2,872,605 as of December 31, 2024 and 2023, respectively. The Organization does not expect any losses in such accounts.

COACHELLA VALLEY RESCUE MISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases

Effective January 2022, the Financial Accounting Standards Board's (FASB) Accounting Standards Updated ("ASU") 2016-02, Leases (Topic 842), requires a lessee to recognize a lease asset and related lease liability on the statement of financial position. The Organization adopted Topic 842 as of January 1, 2022 using the effective date method and recognized and measured leases effective during the year ending December 31, 2022. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, allowed the Organization to carry forward the historical classification, not reassess whether any expired or existing contracts contain leases and not reassess initial direct costs on existing leases

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 \$46,666 and \$53,636 in 2024 and 2023, respectively, and are included in fundraising direct mail expense on the statement of functional expenses.

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.

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.

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 2023 amounts to conform to the 2024 presentation.

COACHELLA VALLEY RESCUE MISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31;

	<u>2024</u>	<u>2023</u>
Laundry facility	\$ -	\$ 28,866
Rental assistance	25,806	-
Women family shelter	263,000	350,000
Vehicle purchase	20,000	-
Other	-	2,071
	<u>\$ 308,806</u>	<u>\$ 380,937</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 \$55,951 and \$57,858 at December 31, 2024 and 2023, respectively.

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, 2024 and 2023.(see Note 9)

6. INVESTMENTS

Investments consist of the following at December 31:

<u>2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual funds	\$1,900,933	\$ 2,037,957	\$ 137,024
Bonds	1,642,160	1,665,682	23,522
Equities	35,057	48,619	13,562
	<u>\$3,578,150</u>	<u>\$ 3,752,258</u>	<u>\$ 174,108</u>

<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>

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, 2024 and 2023 are within Quoted Prices in Active Markets for Identical Assets (Level 1).

COACHELLA VALLEY RESCUE MISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

7. CONSTRUCTION IN PROGRESS

As of December 31, 2024 total construction in progress amounted to \$2,728,725 relating to the construction of a new laundry facility expected to be completed in July 2025 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 \$2.5 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, 2024 and 2023 total thrift store sales amounted to \$578,186 and \$577,474, 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, 2024 or 2023.

9. NON-CASH DONATIONS

The Organization has received various noncash gifts, such as food and supplies, that were used received and used during the year 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>2024</u>	<u>2023</u>
Food	\$ 6,139,016	\$ 5,589,295
Toys	550,000	375,000
Housewares	232,500	259,300
Supplies	291,680	375,035
Clothing	271,765	249,850
Land lease	112,498	112,498
Professional services	2,035	2,080
Vehicles	24,700	14,500
	<u>\$ 7,624,194</u>	<u>\$ 6,977,558</u>

10. OPERATING LEASES

The Organization has multi year operating lease agreements for office equipment and sober living homes with terms expiring in 2025 and monthly payments ranging from \$1,088 to \$3,860. Lease expense under these operating leases was approximately \$138,570 and \$41,850 in 2024 and 2023.

Minimum lease obligations under non-cancelable operating leases, are \$94,023 for the year ending December 31, 2025.

COACHELLA VALLEY RESCUE MISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. OPERATING LEASES – Continued

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 2025, are \$32,309.

11. RETIREMENT PLAN

The Organization has a 401(k) defined contribution benefit plan covering substantially all employees. The Organization made matching contributions of \$58,032 and \$57,434 for the years ended December 31, 2024 and 2023, 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	\$ 3,254,685
Investments	3,752,258
Accounts receivable	<u>200,828</u>
Total	<u>\$ 7,207,771</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, 2024 these amounts have been excluded from the amounts listed above.

13. SUBSEQUENT EVENTS

The Organization evaluated all potential subsequent events as of June 2, 2025 when the financial statements were authorized and available to be issued. No additional subsequent events or transactions were identified after December 31, 2024 or as of June 2, 2025 that require disclosure to the financial statements.

SUPPLEMENTARY INFORMATION



ACCOUNTING & AUDITING

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Coachella Valley Rescue Mission
Indio, California

We have audited, in accordance with the 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, the financial statements of Coachella Valley Rescue Mission, 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, and have issued our report thereon dated June 2, 2025.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coachella Valley Rescue Mission’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coachella Valley Rescue Mission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Coachella Valley Rescue Mission’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coachella Valley Rescue Mission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001.

Coachella Valley Rescue Mission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Coachella Valley Rescue Mission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Coachella Valley Rescue Mission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Coachella Valley
Accounting & Auditing*

La Quinta, CA
June 2, 2025



ACCOUNTING & AUDITING

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Coachella Valley Rescue Mission
Indio, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coachella Valley Rescue Mission's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Coachella Valley Rescue Mission's major federal programs for the year ended December 31, 2024. Coachella Valley Rescue Mission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coachella Valley Rescue Mission's complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coachella Valley Rescue Mission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Coachella Valley Rescue Mission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coachella Valley Rescue Mission's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coachella Valley Rescue Mission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Coachella Valley Rescue Mission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Coachella Valley Rescue Mission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coachella Valley Rescue Mission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit. Our opinion on each major federal program is not modified with respect to these matters.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires auditors to perform limited procedures on Coachella Valley Rescue Mission's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Coachella Valley Rescue Mission's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questions costs as item 2024-001 to be significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Coachella Valley Rescue Mission's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Coachella Valley Rescue Mission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Coachella Valley
Accounting & Auditing*

La Quinta, CA
June 2, 2025

COACHELLA VALLEY RESCUE MISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Agency/Program	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)			
Passed-through from City of Indio Community Development Block Grants	14.218		\$ <u>24,000</u>
Passed-through from Riverside County American Rescue Plan Act (ARPA) Funds	14.231		825,000
Passed-through from Riverside County Emergency Solutions Grant	14.231		<u>237,751</u>
			<u>1,062,751</u>
Total U.S. Department of Housing and Urban Development			<u>1,086,751</u>
		Total Expenditures of Federal Awards	\$ <u>1,086,751</u>

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

COACHELLA VALLEY RESCUE MISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coachella Valley Rescue Mission under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Coachella Valley Rescue Mission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Coachella Valley Rescue Mission.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

Coachella Valley Rescue Mission has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

COACHELLA VALLEY RESCUE MISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Coachella Valley Rescue Mission were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Coachella Valley Rescue Mission, were disclosed during the audit.
4. One significant deficiency relating to the audit of major federal award programs is reported in the Independent Auditor's Report on Compliance for Each Major Program and Internal Control Over Compliance Required By The Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for Coachella Valley Rescue Mission expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that should be disclosed in accordance with 2 CFR section 200.516(a).
7. The program tested as major programs was:

<u>Program Name</u>	<u>ALN#</u>
Emergency Solutions Grant	14.231
8. The dollar threshold used for distinguishing between Type A and B programs was \$750,000.
9. Coachella Valley Rescue Mission was determined not to be low-risk auditee.

B. Findings – Financial Statements Audit

None

COACHELLA VALLEY RESCUE MISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

C. Findings And Questioned Costs – Major Federal Award Programs Audit

Finding No. 2024-001: Equipment and Real Property Management Policy
U.S. Department of Housing and Urban Development, CFDA 14.231, Emergency
Solutions Grant

Type of Finding: Significant Deficiency in Internal Controls over Compliance

Compliance Requirement: Non-compliance

Criteria: Per 2 CFR 200.313 the entity must use its own documented procedures surrounding the acquisition, safekeeping, maintenance, and disposal of all equipment and real property acquired with federal awards.

Condition: When testing and evaluating the Organization's compliance with documented policy surrounding the equipment and real property management, it was determined that the Organization does not have a documented policy.

Cause: Program administrative staff are not familiar with equipment and real property management requirements of Federal grants and contracts.

Effect/Context: As a result, the entity could inadvertently engage in an equipment or property transaction for which the appropriate standards were not followed.

Questions Costs: None

Repeat Finding from Prior Year: Yes

Recommendation: Coachella Valley Rescue Mission should document and implement policy and procedures to comply with the standards surrounding equipment and real property management standards.

Management's Views and Corrective Action Plan: See the accompanying Management's Views and Corrective Action Plan, which are considered part of this report.

COACHELLA VALLEY RESCUE MISSION AND
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL COMPLIANCE

REFERENCE NUMBER	SUMMARY OF FINDING	STATUS
2023-002:	Non-compliance: We recommended the Organization should document and implement policy and procedures to comply with the standards surrounding equipment and real property management standards.	Not Implemented

CORRECTIVE ACTION PLAN

2024-001 – Equipment and Real Property Management Policy

Planned Corrective Action:

Management is working on creating and implementing policies and procedures surrounding equipment and real property management.

Name of Contact Persons:

Amanda Galindo, Executive Director, Angie Warren, Finance Manager and Teri Ortiz, Grants Specialist

Anticipated completion date:

May 23, 2025